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11 **UNITED STATES DISTRICT COURT**
12 **SOUTHERN DISTRICT OF CALIFORNIA**

13
14 ISMAEL ORTEGA, KRISINDA
15 WOLFE, DORIS WILLIAMS-
16 JENKINS, and LILIA SILVA,
17 individuals, on behalf of themselves and
18 on behalf of all persons similarly
19 situated,

20 Plaintiffs,

21 vs.

22 LOYAL SOURCE GOVERNMENT
23 SERVICES, LLC, a Limited Liability
24 Company; and Does 1 through 50,
25 Inclusive,

26 Defendant.

CASE No. **3:20-cv-0879-LAB-NLS**

**DECLARATION OF NORMAN
BLUMENTHAL IN SUPPORT OF
MOTION FOR FINAL APPROVAL
OF CLASS SETTLEMENT**

Hearing Date: July 26, 2021

Hearing Time: 11:30 a.m.

District Judge: Hon. Larry A. Burns
James M. Carter and Judith N. Keep
United States Courthouse
Courtroom 14A

1 I, Norman B. Blumenthal, declare as follows:

2 1. I am the managing partner in the law firm of Blumenthal Nordrehaug
3 Bhowmik De Blouw LLP, counsel of record for Plaintiffs Ismael Ortega, Krisinda
4 Wolfe, Doris Williams-Jenkins and Lilia Silva ("Plaintiffs") in this matter. As such, I
5 am fully familiar with the facts, pleadings and history of this matter. I am submitting this
6 declaration in support of Plaintiffs' motion for final approval of the settlement. The
7 following facts are within my own personal knowledge, and if called as a witness, I
8 could and would testify competently to the matters stated herein.

9 2. Over the course of the litigation, a number of attorneys in my firm have
10 worked on this matter. Their credentials are reflected in the Blumenthal Nordrehaug
11 Bhowmik De Blouw LLP firm resume, a true and correct copy of which is attached
12 hereto as Exhibit #1. Some of the major cases our firm has undertaken are also set forth
13 in Exhibit #1. The attorneys involved in this matter at Blumenthal Nordrehaug
14 Bhowmik De Blouw LLP have had extensive class action experience in employment
15 litigation and has represented thousands of persons nationwide in actions including labor
16 and employment litigation, wage and hour class actions, representative PAGA actions
17 and complex litigation. The attorneys at my firm also have experience in large class
18 cases involving labor code violations. Class Counsel has been previously approved as
19 experienced Class Counsel state and federal courts throughout California. Class Counsel
20 has litigated similar wage and hour cases against other employers. It is this level of
21 experience which enabled the firm to undertake the instant matter and to successfully
22 combat the resources of the defendants and its capable and experienced counsel.

23 3. Summary of the Proposed Settlement.

24 (a) A true and correct copy of Class Action Settlement Agreement ("Agreement")
25 is attached hereto as Exhibit #2. Defendant agrees to pay the Gross Settlement Amount
26 of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) in full and
27 complete satisfaction of the Class Members' Released Claims. (Agreement at ¶ III(A).)
28

1 The Gross Settlement Amount consists of all payments to Class Members from the Net
2 Settlement Amount, plus (a) the costs of administration of the settlement, (b) all
3 attorneys' fees and costs, (c) service awards to the Plaintiff, and (d) the PAGA Payment.
4 (Agreement at ¶ III(B).)

5 (b) The amount remaining in the Gross Settlement Amount after the deduction
6 of Court-approved amounts for Class Counsel Fees Payment, Class Counsel Litigation
7 Expenses Payment, the Class Representative Service Payments, the PAGA Payment, and
8 the Settlement Administration Costs (called the "Net Settlement Amount") shall be
9 allocated to Class Members as their Settlement Shares. (Agreement at ¶ I(W) and
10 III(D).) The Settlement Administrator will pay a Settlement Share amount from the Net
11 Settlement Amount to each Participating Class Member (i.e. those Class Members who
12 do not request exclusion). (Agreement at ¶ III(D)(1).)

13 (c) The Net Settlement Amount shall be divided 41% to the FCRA Class
14 Members (the "FCRA Settlement Amount") and 59% to the California Class Members
15 and Aggrieved Employees (the "California Settlement Amount"). (Agreement at
16 ¶III(B).) From the FCRA Settlement Amount, the Settlement Share for each
17 Participating Class Member in the FCRA Class will be calculated by dividing the FCRA
18 Settlement Amount on an equal per capita basis to each Participating Class Member in
19 the FCRA Class. (Agreement at ¶ III(D)(2).) From the California Settlement Amount,
20 the Settlement Share for each Participating Class Member in the California Class will be
21 calculated by (a) dividing this amount by the total number of workweeks worked by all
22 Participating Class Members in the California Class during the Class Period to determine
23 a dollar amount per workweek ("Workweek Payment"), and (b) multiplying the total
24 number of workweeks worked by each Participating Class Member in the California
25 Class during the Class Period by the Workweek Payment. (Agreement at ¶ III(D)(3).)

26 (d) KCC was appointed as Settlement Administrator. (Agreement at ¶ III(E).)
27 All administrative fees, costs and expenses incurred by the Settlement Administrator in
28 connection with administering the Settlement will be deducted from the Gross Settlement

1 Amount. The Settlement Administrator has estimated that administering this settlement
2 will not exceed the cost of \$70,000. (Agreement at ¶ III(C)(4).) The actual expenses of
3 will be documented in the forthcoming in the Declaration of the Settlement
4 Administrator.

5 (e) Class Counsel has applied to the Court for an award of reasonable attorneys'
6 fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount, and for
7 reimbursement of reasonable expenses in the amount of \$23,097.30, both subject to
8 Court approval. (Agreement at ¶ III(C)(2). The Plaintiffs have also applied for Court
9 approval of service awards in the reduced amount of \$5,000 each in consideration for
10 their service as the class representatives. (Agreement at ¶ III(C)(1).) The motion is
11 scheduled for the Final Approval Hearing and was filed on May 28, 2021 [Doc. No. 32],
12 which is well before the deadline for written objections to the Settlement.

13 (f) The scope of the release by all Class Members who do not opt out tracks the
14 scope of the allegations in the Action. Upon the Effective Date, the Defendant shall be
15 entitled to a release as follows:

16 (i) a release from the Participating Class Members who are also FCRA
17 Class Members of all FCRA claims alleged in the operative complaint
18 which occurred through the date of preliminary approval or January 29,
19 2021 (whichever is earlier), and also including any similar claims that were
20 or could have been brought under state law arising out of the allegations in
21 the operative complaint, including the Investigative Consumer Reporting
22 Agencies Act and Consumer Credit Reporting Agencies Act; and, (ii) a
23 release from the Participating Class Members who are also California Class
24 Members of all claims that were or could have been alleged under federal,
25 state, or local law arising out of the allegations in the operative complaint,
26 including all causes of action alleged in the operative complaint or any
other claims arising out of the allegations in the operative complaint as to
the federal, state, or local wage & hour laws alleged in the operative
complaint, which occurred through the date of preliminary approval or
January 29, 2021 (whichever is earlier); and, expressly excluding all other
claims, including claims for wrongful termination, unemployment
insurance, disability, social security, and workers' compensation, and
claims outside of the applicable FCRA Class Period and/or California Class
Period.

27 (Agreement at ¶ III(G)(1).)

28 (g) Class Members were permitted the opportunity to object to or comment on the

1 Settlement; or elect not to participate in the Settlement. Class Members who wished to
2 exclude themselves from the Settlement must have mailed a written Election Not to
3 Participate in Settlement to the Settlement Administrator not later than sixty (60) after
4 the Settlement Administrator mailed the Class Notice. (Agreement at ¶ III(3)(c).) Class
5 Members who wished to object to the Settlement must have submitted their written
6 objections to the Settlement Administrator not later than sixty (60) days after the mailing
7 of the Class Notice or alternatively may appear at the Final Approval Hearing to make
8 an oral objection. (Agreement at ¶ III(3)(a).) To date, there have been no objections and
9 only seven opt outs (six from the FCRA Class and one from the California Class).

10 (h) The Settlement is fair, adequate and reasonable to the class and should be
11 finally approved. In sum, this settlement valued at \$2,750,000 provides the Class
12 Members with the opportunity to receive a substantial monetary recovery. This result
13 is particularly remarkable in light of the fact that there was also a risk that, if the matter
14 was not settled, Plaintiffs would be unable to prevail at trial on behalf of the entire Class,
15 and thereby not recover on behalf of any individuals other than themselves. As such,
16 liability in this case was far from certain in light of the defenses asserted by Defendant.
17 Finally, the pandemic circumstances impacting many employees only further
18 underscores the importance of distributing these settlement payments to the Class
19 Members.

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25 4. Procedural status of the settlement.

26 (a) This Court preliminarily approved the settlement by Order dated March 31,
27 2021. [Doc. No. 31.] In accordance with the preliminary approval order, the required
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1 notice of the proposed settlement was disseminated to the Class. After dissemination of
2 the class notice to the 789 members of the California Class and the 6,853 members of the
3 FCRA Class, which provided each Class Member with the terms of the settlement, to
4 date, not a single Class Member has filed an objection to the settlement and only seven
5 Class Members requested exclusion (six (6) opt outs are from the FCRA Class and one
6 (1) opt out is from the California Class).¹ As a result, 99.9% of the Class will be
7 participating in the Settlement and will be sent a payment. Importantly, every Class
8 Member was given the opportunity to participate in the Settlement under the same terms.
9 Nearly the entire Class elected to participate in the Settlement and will be mailed a check
10 for their settlement share. The details of the notice process will be set forth in the
11 forthcoming Declaration of the Settlement Administrator. Here, given the fact that not
12 one Class Member objected, the Court should conclude that the settlement is fair,
13 reasonable and adequate.

14
15 5. Description of Plaintiffs' claims.

16 (a) During the relevant time period, Defendants employed non-exempt
17 Pharmacy Technician employees in California.

18 (b) The operative complaint set forth claims for 1) unfair competition in
19 violation of Cal. Bus. & Prof. Code §§ 17200, *et seq.*; (2) failure to pay overtime wages
20 in violation of Cal. Labor Code §§ 510, *et seq.*; (3) failure to pay minimum wages in
21 violation of California Labor Code §§ 1194, 1197 & 1197.1; (4) failure to provide meal
22 periods in violation of Cal. Labor Code §§ 226.7 and 512 and the applicable IWC Wage
23 Order; (5) failure to provide rest periods in violation of Cal. Labor Code §§ 226.7 and
24 512 and the applicable IWC Wage Order; (6) failure to provide accurate itemized wage
25

26 ¹ The notice period ends on June 28, 2021, which is the date this motion is being filed.
27 After the final figures have been accounted, the Declaration of the Settlement
28 Administrator will be filed in support of this motion to document the notice process and
the final results.

1 statements in violation of Cal. Labor Code § 226; (7) failure to provide reimbursements
2 in violation of California Labor Code § 2802; and, (8) failure to pay wages when due in
3 violation of Cal. Labor Code §§ 201, 202, and 203; (9) recovery for civil penalties under
4 the Private Attorneys General Act (“PAGA”) based upon the alleged violations of the
5 Labor Code; (10) Violation of the Fair Credit Reporting Act (FCRA) (15 U.S.C. § 1681,
6 *et seq.*); (11) Violation of the Fair Credit Reporting Act (15 U.S.C. § 1681, *et seq.*); (12)
7 Violation of the Investigative Consumer Reporting Agencies Act (California Civil Code
8 § 1786, *et seq.*); and, (13) Violation of the Consumer Credit Reporting Agencies Act
9 (California Civil Code § 1786, *et seq.*). .
10

11 6. Procedural History of the Litigation

12 (a) On February 14, 2020, Plaintiff Ortega, on behalf of himself and all persons
13 similarly situated, commenced the Class Action by filing a class action Complaint
14 against Defendant in the Superior Court of California, San Diego County, alleging the
15 following causes of action: (1) unfair competition in violation of Cal. Bus. & Prof. Code
16 §§ 17200, *et seq.*; (2) failure to pay overtime wages in violation of Cal. Labor Code §§
17 510, *et seq.*; (3) failure to pay minimum wages in violation of California Labor Code §§
18 1194, 1197 & 1197.1; (4) failure to provide meal periods in violation of Cal. Labor Code
19 §§ 226.7 and 512 and the applicable IWC Wage Order; (5) failure to provide rest periods
20 in violation of Cal. Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order;
21 (6) failure to provide accurate itemized wage statements in violation of Cal. Labor Code
22 § 226; (7) failure to provide reimbursements in violation of California Labor Code §
23 2802; and, (8) failure to pay wages when due in violation of Cal. Labor Code §§ 201,
24 202, and 203. Defendant answered Plaintiffs’ original complaint on May 11, 2020,
25 denying all material allegations and asserting thirty-two (32) affirmative defenses.

26 (b) On May 26, 2020, plaintiff Ortega filed a Complaint for recovery of civil
27 penalties under the Private Attorneys General Act, Cal. Labor Code §§ 2689 *et seq.*
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1 ("PAGA") against Defendant ("PAGA Action"), in the Superior Court of the State of
2 California, County of San Diego. On June 25, 2020, Defendant filed a general denial
3 along with twenty-three (23) affirmative defenses to complaint in the PAGA Action in
4 state court.

5 (c) The Class Action and the PAGA Action were subsequently removed to federal
6 court and assigned as Case No. 3:20-cv-01173 and Case No. 3:20-cv-00879,
7 respectively. On July 31, 2020, Honorable Larry A. Burns ordered that the Class Action
8 and the PAGA Action be consolidated under Case No. 3:20-cv-00879 (the "Action").
9 [Doc. No. 19]. On September 4, 2020, Plaintiffs filed a First Amended Complaint
10 ("FAC") against Defendant which asserted the same causes of action brought by Plaintiff
11 Ortega in his initial complaint but added the four additional plaintiffs and four additional
12 causes of action for: Violation of the Fair Credit Reporting Act (FCRA) (15 U.S.C. §
13 1681, *et seq.*); Violation of the Fair Credit Reporting Act (15 U.S.C. § 1681, *et seq.*);
14 Violation of the Investigative Consumer Reporting Agencies Act (California Civil Code
15 § 1786, *et seq.*); and, Violation of the Consumer Credit Reporting Agencies Act
16 (California Civil Code § 1786, *et seq.*).

17 (d) The Parties engaged in investigation and the exchange of documents and
18 information in connection with the Action. Class Counsel conducted significant
19 discovery, research and investigation in furtherance of the prosecution of the Action.
20 This discovery, investigation, research and prosecution included, among other things, (a)
21 formal discovery and multiple conferences with Plaintiffs and with Defendant's counsel;
22 (b) inspection and analysis of thousands of pages of documents and other information
23 produced by Plaintiffs and Defendant formally during the litigation of the Action and
24 informally in preparation for mediation (including class data); (c) analysis of the
25 numerous legal positions taken by Defendant; (d) investigation into the viability of class
26 treatment of the claims asserted in the Action; (e) analysis of potential class-wide
27 damages, including reviewing class data, and analyzing information sufficient to
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1 understand Defendant's potential defenses thereto; (f) research of the applicable law with
2 respect to the claims asserted in the Complaint as well as the potential defenses thereto;
3 and (g) assembling and analyzing extensive data and information for calculating
4 damages.

5 (e) Class Counsel has extensive experience in litigating wage and hour class
6 actions in California. The Parties have vigorously litigated the Action since its inception.
7 During the course of litigation, the Parties each performed analysis of the merits and
8 value of the claims. Plaintiffs engaged in extensive investigation, requiring the
9 production of thousands of pages of documents, including classwide records as to the
10 Class. Plaintiffs and Defendant have engaged in substantial research, discovery, and
11 investigation in connection with the Action. Class Counsel has thoroughly analyzed the
12 value of the claims during the prosecution of this Action. Plaintiffs and Class Counsel
13 believes that the settlement with Defendant for the consideration and on the terms set
14 forth in the Agreement is fair, reasonable, and adequate and is in the best interests of the
15 Class in light of all known facts and circumstances, including the risk of significant
16 delay, the likelihood that Defendant would prevail on its defenses, and numerous
17 potential appellate issues.

18 (f) Defendant denies any alleged wrongdoing and contends that the Class
19 Members are not entitled to any monetary relief, including damages and penalties.
20 Specifically, Defendant denies all charges of wrongdoing or liability against it arising
21 out of any conduct, statements, acts or omissions alleged, or that could have been
22 alleged, in the Action. Defendant contends it complied in good faith with wage and hour
23 employment laws. Defendant asserts facts that could negate essential elements of
24 Plaintiffs' claims. Defendant contends, for example, that employees were provided with
25 meal and rest breaks and that all time worked was recorded. Further, there could be
26 significant problems of proof regarding the extent to which members of the Class missed
27 breaks relating to their employ with Defendant. Defendant further denies that, for any
28 purpose other than settling this Action, these claims are appropriate for class, collective,

1 or representative treatment of any kind.

2 (g) Following the extensive investigation by both Parties, the Parties agreed to
3 engage in private mediation. The Parties attended an all-day mediation on September
4 29, 2020 before David A. Rotman, a respected and experienced mediator. The mediation
5 included discussion and examination of the Parties' respective positions on the legal and
6 factual issues raised on behalf of the Class. At all times, the Parties' settlement
7 negotiations have been non-collusive, adversarial, and at arm's length. The Parties
8 agreed on the basic terms of a class settlement pursuant to the Parties' Memorandum of
9 Understanding executed following the mediation.

10 (h) By January 26, 2021, the Agreement was finalized and executed. Class
11 Counsel filed the motion requesting preliminary approval of the settlement on February
12 18, 2021. [Doc. No. 27.]

13 (i) By the Order of March 31, 2021, the Court granted preliminary approval of the
14 settlement and approved the mailing of the Notice to the Class. [Doc. No. 31]. Notice
15 of the settlement providing Class Members with notice and the explanation of monetary
16 relief, the right to opt out, or to object was then mailed by the Settlement Administrator
17 on April 28, 2021 to the 789 individuals who comprise the California Class and 6,853
18 individuals in the FCRA Class.²

19 (j) Currently, out of the 789 individuals in the California Class and 6,853 in the
20 FCRA Class, not one Class Member objected and there was only one (1) opt out from
21 the California Class and six (6) opt outs from the FCRA Class, which means that
22 currently 99.9% of the Class has elected to participate in the Settlement. The final results
23 will be detailed in the Declaration of the Settlement Administrator to be submitted after
24 the June 28, 2021 deadline for opt out and written objections.

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26 ² As will be detailed by the Settlement Administrator, there were 137 potential FCRA
27 Class Members for whom there was only an email and no mailing address, so an email
28 blast with the Class Notice was sent to these 137 and was successful as to 91 of these
potential FCRA Class Members.

1 7. History of Settlement Discussions

2 (a) As detailed during Preliminary Approval, Class Counsel has conducted a
3 thorough investigation into the facts of the class action, including a review of relevant
4 documents and data and a diligent investigation of the Class Members' claims against
5 Defendant. Class Counsel also retained an expert to prepare a damage valuation for use
6 in the mediation and negotiations. Class Counsel also has experience in settlements
7 involving similar claims brought by employees. The Parties and their counsel recognize
8 that, in the absence of an approved settlement, they would face a protracted litigation
9 course, including a contested motion for certification, motions for summary judgment,
10 and trial and appellate proceedings that would consume time and resources and present
11 each of them with ongoing litigation risks and uncertainties.

12 (b) Negotiations were hard-fought and aggressive with capable advocacy on both
13 sides. Defendant vigorously disputed liability and the amount of damages that were
14 claimed to be owed. Liability in this action was hotly disputed and would be subject to
15 a motion for summary judgment. Even if summary judgment was denied, liability would
16 still be subject to a contested trial on the merits. Plaintiffs and Class Counsel recognize
17 the expense and length of continuing to litigate and trying this Action against Defendant
18 through possible appeals which could take several years. Class Counsel has also taken
19 into account the uncertain outcome and risk of litigation, especially in complex actions
20 such as this litigation. Class Counsel is also mindful of and recognize the inherent
21 problems of proof under, and alleged defenses to, the claims asserted in the Action.
22 Based upon their evaluation, Plaintiffs and Class Counsel have determined that the
23 settlement set forth in the Agreement is in the best interest of the Class Members.
24 Plaintiffs and Class Counsel believe that the settlement with Defendant for the
25 consideration and on the terms set forth in the Agreement is fair, reasonable, and
26 adequate and is in the best interest of the Class in light of all known facts and
27 circumstances, including the risk of significant delay, the likelihood that Defendant
28 would prevail on one or more of its defenses, and numerous potential appellate issues.

1 By reason of the settlement, Defendants agree to pay the Gross Settlement Fund of Two
2 Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) as provided by the
3 Agreement.

4 (c) After the settlement negotiations, the specific terms of the Agreement required
5 additional negotiation before the final written agreement could be signed. Even after the
6 parties reached an agreement as to the material terms, Class Counsel had to ensure that
7 the terms of the final settlement agreement were fair to every member of the Class and
8 retained the requisite opportunities for notice, exclusion, and objection in accordance
9 with class action law.

10 (d) In advance of negotiations, Class Counsel received class data concerning
11 employment and payroll information, which permitted Class Counsel to make an
12 intelligent evaluation. The calculations to compensate for the amount due for the Class
13 at the time of the mediation were calculated by Berger Consulting, Plaintiffs' damage
14 expert. As to the California Class whose claims are at issue in this Action, Plaintiffs used
15 an expert (Berger Consulting) to analyze the data and determine the potential unpaid
16 wages for the employees. The maximum potential damages were calculated to be
17 \$916,278 for the allegedly underpaid overtime due to the miscalculation of the regular
18 rate, \$1,006,511.25 for meal periods at a 25% violation rate, \$1,006,511.25 for rest
19 period damages at a 25% violation rate, \$903,769.86 for the off-the-clock work at 1 hour
20 per week, minimum wage claim resulting from standby work, and \$351,850 for the
21 unreimbursed cell-phone expenses. As a result, the total damage valuation was therefore
22 calculated that Defendant was subject to a maximum damage claim in the amount of
23 \$4,184,920.35. As to potential penalties, Plaintiffs calculated that wage statement
24 penalties were a maximum of \$621,700 and potential waiting time penalties were in a
25 range from \$1,210,082 to \$2,348,983 depending on the derivative claim giving rise to
26 the allegedly unpaid wages. Consequently, the California Settlement Amount of
27 \$1,622,500 (59% of the Gross Settlement Amount) represents more than 38% of the
28 value of the damages at issue in this case at the time this Settlement was negotiated,

1 assuming these amounts could be proven at trial. Given the amount of the settlement as
2 compared to the potential value of claims in this case and the defenses asserted by
3 Defendant, the settlement is fair and reasonable.

4 (e) As to the FCRA Class, FCRA provides for statutory damages of \$100 to
5 \$1,000 per willful violation. 15 U.S.C. § 1681n. A comparison of approved FCRA
6 settlements involving similar facts further confirms the reasonableness of this Settlement.
7 The Court in *Pietras v. Sentry Ins. Co.*, 513 F. Supp. 2d 983, 985 (N.D. Ill 2007), “cited
8 eighteen cases, which settled for an average of \$34.59 per class member.” Similarly, in
9 *Bailes v. Lineage Logistics, LLC*, 2016 U.S. Dist. LEXIS 110943 (D. Kan 2016), the
10 District Court approved a FCRA class settlement which provided for a fund of \$149,205
11 for a class of 3,430, which correlates to \$43.50 per person. In *Feist v. Petco Animal*
12 *Supplies, Inc.*, 2018 U.S. Dist. LEXIS 98686 (S.D. Cal. 2018), Judge Marilyn Huff
13 recently granted preliminary approval to an FCRA class settlement of \$1.2 million for
14 a class of 37,000, which equates to \$32.43 per person.³ Here, the settlement amount of
15 \$100 per person is certainly fair and reasonable given the prior approved FCRA
16 settlements and the defenses asserted by Defendant. Clearly the goal of this litigation
17 to obtain redress for the Class has been met.

18 (f) Based on the complexity of the case, the novelty of the legal issues, the
19 substantial risks and uncertainty of the outcome on both liability and certification issues,
20 as well as the need to establish damages, Plaintiffs believe that the Settlement is fair,
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22 ³ See also *Moore v. Aerotek, Inc.*, 2017 WL 2838148, at *4 (S.D. Ohio 2017)
23 (per-capita gross recovery of \$25 in FCRA case); *Aceves v. Autozone Inc.*, No.
24 5:14-cv-2032, ECF No. 58 (C.D. Cal. 2016) (approval of FCRA settlement with gross
25 recovery of \$20 per disclosure class member); *Patrick v. Interstate Mgmt. Co., LLC*, No.
26 8:15-cv-1252, ECF No. 42 (M.D. Fla. 2016) (approval of FCRA disclosure claim where
27 class members received \$9 each); *Landrum v. Acadian Ambulance Serv., Inc.*, No.
28 14-cv-1467, ECF No. 37 (S.D. Tex. 2015) (approval of FCRA disclosure settlement of
\$10 per person); *Walker v. McClane/Midwest, Inc.*, No. 2:14-cv-04315, ECF No. 29
(W.D. Mo. 2015) (approval of FCRA settlement in which disclosure class members
recovered \$24).

1 reasonable and in the best interests of the Class Members. There can be no doubt that
2 counsel for both parties possessed sufficient information to make an informed judgment
3 regarding the likelihood of success on the merits and the results that could be obtained
4 through further litigation, given the relative strengths and weaknesses of their position.

5
6 8. The outcome of this case would have been uncertain and fraught with risks.

7 (a) The risks, complexities and duration of further litigation cannot be overstated.
8 Defendant asserted a number of defenses that presented serious threats to the claims of
9 the Plaintiffs and the other Class Members. Defendant contends that Defendant's
10 employment practices complied with all applicable Labor laws. Defendant argued that
11 federal law preempts the claims because employees worked on a federal enclave.
12 Defendant also argued that the California Supreme Court decision in *Brinker v. Superior*
13 *Court*, 53 Cal. 4th 1004 (2012), weakened Plaintiffs' claims, on liability, value, and class
14 certifiability. Finally, several Courts have held that meal and rest period violations do
15 not give rise to wage statement or waiting time penalties. See e.g. *Ling v. P.F. Chang's*
16 *China Bistro, Inc.*, 245 Cal. App. 4th 1242, 1261 (2016). As to the FCRA claim,
17 Defendant argued that because the disclosure document consisted solely of the
18 disclosure, it complied with FCRA in all respects, even though a separate document
19 contained a release. *Coleman v. Kohl's Dep't Stores, Inc.*, 2015 U.S. Dist. LEXIS
20 135746, *17 (N.D. Cal. 2015) (holding a release in a separate document does not violate
21 FCRA); *Luna v. Hansen & Adkins Auto Transp., Inc.*, 2018 U.S. Dist. LEXIS 100055,
22 *18-*19 & n.6 (C.D. Cal. 2018). Finally, the court may find remitter/reduction of the
23 statutory damages appropriate. See e.g. *Klingensmith v. Max & Erma's Restaurants, Inc.*,
24 2007 U.S. Dist. LEXIS 81029, 2007 WL 3118505, at *5 (E.D.Pa. 2007). If successful,
25 Defendant's defenses could eliminate or substantially reduce any recovery to the Class.
26 While Plaintiffs believe that these defenses could be overcome, Defendant maintains
27 these defenses have merit and therefore present a serious risk to recovery.

28 (b) Moreover, there was also a significant risk that, if the Action was not settled,

1 Plaintiffs would be unable to obtain class certification and maintain a certified class
2 through trial, and thereby not recover on behalf of any employees other than themselves.
3 At the time of the mediation, Defendant forcefully opposed the propriety of class
4 certification, arguing that individual issues precluded class certification. Further, as
5 demonstrated by the California Supreme Court decision in *Duran v. U.S. Bank National*
6 *Assn.*, 59 Cal. 4th 1 (2014), there are significant hurdles to overcome for a class-wide
7 recovery even where the class has been certified. While other cases have approved class
8 certification in wage and hour claims, class certification in this action would have been
9 hotly disputed and was by no means a foregone conclusion.

10 (c) In advance of settlement negotiations and mediation, Class Counsel has
11 conducted a thorough investigation into the facts of the class action, including a review
12 of relevant documents and data and a diligent investigation of the Class Members' claims
13 against Defendant. Class Counsel also retained an expert to prepare a damage valuation
14 in advance of mediation. Class Counsel also has experience in settlements involving
15 similar claims against other employers. Based on the foregoing documents and data, and
16 their own independent investigation and evaluation, Class Counsel is of the opinion that
17 the settlement with Defendant for the consideration and on the terms set forth in the
18 Settlement is fair, reasonable, and adequate in light of all known facts and circumstances,
19 including the risk of significant delay, defenses asserted by Defendant, and numerous
20 potential appellate issues. The parties and their counsel recognize that, in the absence
21 of an approved settlement, they would face a protracted litigation course, including a
22 contested motion for certification, motions for summary judgment, and trial and
23 appellate proceedings that would consume time and resources and present each of them
24 with ongoing litigation risks and uncertainties.

25 (d) Plaintiffs and Class Counsel recognize the expense and length of continuing
26 to litigate and trying this Action against Defendant through possible appeals which could
27 take several years. Class Counsel has also taken into account the uncertain outcome and
28 risk of litigation, especially in complex actions such as this litigation. Class Counsel is

1 also mindful of and recognize the inherent problems of proof under, and alleged defenses
2 to, the claims asserted in the Action. Based upon their evaluation, Plaintiffs and Class
3 Counsel have determined that the settlement set forth in the Agreement is in the best
4 interest of the Class Members.

5 (e) It is impossible to predict with certainty whether, under the facts of this case,
6 Plaintiffs would prevail against the Defendant's factual and legal defenses. While
7 Plaintiffs and Class Counsel believe in the merits of the claims, Defendant has asserted
8 real and substantial defenses to them. Settlement in this case clearly benefits the
9 settlement class when measuring the strengths of the case and the risk of establishing
10 liability and damages.

11 I declare under penalty of perjury under the laws of the State of California that the
12 foregoing is true and correct. Executed this 28th day of June, 2021, at La Jolla,
13 California.

14 s/Norman B. Blumenthal

15 NORMAN B. BLUMENTHAL
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EXHIBIT #1

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FIRM RESUME

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Practice Areas: Consumer and Securities Class Action, Civil Litigation, Wage and Hour Class Actions, Transactional Law

Admitted: 1973, Illinois; 1976, California

Biography: Law Clerk to Justice Thomas J. Moran, Illinois Supreme Court, 1973-1975, while on Illinois Court of Appeals. Instructor, Oil and Gas Law: California Western School of Law, 1981; University of San Diego School of Law, 1983. Sole Practitioner 1976-1987. Partner, Blumenthal & Ostroff, 1988-1995. Partner, Blumenthal, Ostroff & Markham, 1995-2001. Partner, Blumenthal & Markham, 2001-2007. Partner, Blumenthal & Nordrehaug, 2007. Partner, Blumenthal, Nordrehaug & Bhowmik, 2008-2018. Partner, Blumenthal Nordrehaug Bhowmik De Blouw LLP, 2018 - present.

Member: San Diego County, Illinois State and American Bar Associations; State Bar of California.

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Member: State Bar of California, Ninth Circuit Court of Appeals, Third Circuit Court of Appeals

Educated: University of California at Berkeley (B.A., 1994); University of San Diego School of Law (J.D. 1999)

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Scott Blumenthal

Associate Attorney

Practice Areas: Civil Litigation; Wage and Hour Class Actions

Admitted: 2020, New Mexico

Educated: University of Southern California; California Western School of Law

REPORTED CASES

Sakkab v. Luxottica Retail N. Am., Inc., 803 F.3d 425 (9th Cir. 2015) (The panel reversed the district court's order granting Luxottica Retail North America, Inc.'s motion to compel arbitration of claims and dismissing plaintiff's first amended complaint, in a putative class action raising class employment-related claims and a non-class representative claim for civil penalties under the Private Attorney General Act.);

Securitas Security Services USA, Inc. v. Superior Court, 234 Cal. App. 4th 1109 (Cal. Feb. 27, 2015) (Court of Appeal concluded the trial court correctly ruled that *Iskanian* rendered the PAGA waiver within the parties' dispute resolution agreement unenforceable. However, the Court of Appeal then ruled the trial court erred by failing to invalidate the non-severable class action waiver from the agreement and remanded the entire complaint, including class action and PAGA claims, be litigated in the Superior Court);

Sussex v. United States Dist. Court for the Dist. of Nev., 781 F.3d 1065 (9th Cir. 2015) (The panel determined that the district court clearly erred in holding that its decision to intervene mid-arbitration was justified under *Aerojet-General*. Specifically, the panel held that the district court erred in predicting that an award issued by the arbitrator would likely be vacated because of his "evident partiality" under 9 U.S.C. § 10(a)(2).);

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In re Tobacco Cases II, 41 Cal. 4th 1257 (2007); Washington Mutual Bank v. Superior Court, 24 Cal. 4th 906 (2001); Rocker v. KPMG LLP, 148 P.3d 703; 122 Nev. 1185 (2006); PCO, Inc. v. Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP, 150 Cal. App. 4th 384 (2007); Hall v. County of Los Angeles, 148 Cal. App. 4th 318 (2007); Coshov v. City of Escondido, 132 Cal. App. 4th 687 (2005); Daniels v. Philip Morris, 18 F.Supp 2d 1110 (S.D. Cal.1998); Gibson v. World Savings & Loan Asso., 103 Cal. App. 4th 1291 (2003); Jordan v. Department of Motor Vehicles, 75 Cal. App. 4th 445 (1999); Jordan v. Department of Motor Vehicles, 100 Cal.App. 4th 431 (2002); Norwest Mortgage, Inc. v. Superior Court, 72 Cal.App.4th 214 (1999); Hildago v. Diversified Transp. Sya, 1998 U.S. App. LEXIS 3207 (9th Cir. 1998); Kensington Capital Mgal. v. Oakley, Inc., 1999 U.S. Dist LEXIS 385; Fed.Sec.L.Rep. (CCH) P90, 411 (1999 C.D. Cal.); Lister v. Oakley, Inc., 1999 U.S. Dist. LEXIS 384; Fed. Sec. L. Rep. (CCH) P90,409 (C.D. Cal. 1999); Olszewski v. Scripps Health, 30 Cal. 4th 798 (2003); Steroid Hormone Product Cases, 181 Cal. App. 4th 145 (2010); Owen v. Macy's, Inc., 175 Cal. App. 4th 462 (2009); Taiheiyo Cement Corp. v. Superior Court, 117 Cal. App. 4th 380 (2004); Taiheiyo Cement Corp. v. Superior Court, 105 Cal.App. 4th 398 (2003); McMeans v. Scripps Health, Inc., 100 Cal. App. 4th 507 (2002); Ramos v. Countrywide Home Loans, 82 Cal.App. 4th 615 (2000); Tevssier v. City of San Diego, 81 Cal.App. 4th 685 (2000); Washington Mutual Bank v. Superior Court, 70 Cal. App. 4th 299 (1999); Silvas v. E*Trade Mortg. Corp., 514 F.3d 1001 (9th Cir. 2008); Silvas v. E*Trade Mortg. Corp., 421 F. Supp. 2d 1315 (S.D. Cal. 2006); McPhail v. First Command Fin. Planning, Inc., 2009 U.S. Dist. LEXIS 26544 (S.D. Cal. 2009); McPhail v. First Command Fin. Planning, Inc., 251 F.R.D. 514 (S.D. Cal. 2008); McPhail v. First Command Fin. Planning, Inc., 247 F.R.D. 598 (S.D. Cal. 2007); Barcia v. Contain-A-Way, Inc., 2009 U.S. Dist. LEXIS 17118 (S.D. Cal. 2009); Barcia v. Contain-A-Way, Inc., 2008 U.S. Dist. LEXIS 27365 (S.D. Cal. 2008); Wise v. Cubic Def. Applications, Inc., 2009 U.S. Dist. LEXIS 11225 (S.D. Cal. 2009); Gabisan v. Pelican Prods., 2009 U.S. Dist. LEXIS 1391

(S.D. Cal. 2009); La Jolla Friends of the Seals v. Nat'l Oceanic & Atmospheric Admin. Nat'l Marine Fisheries Serv., 630 F. Supp. 2d 1222 (S.D. Cal. 2009); La Jolla Friends of the Seals v. Nat'l Oceanic & Atmospheric Admin. Nat'l Marine Fisheries Serv., 2008 U.S. Dist. LEXIS 102380 (S.D. Cal. 2008); Louie v. Kaiser Found. Health Plan, Inc., 2008 U.S. Dist. LEXIS 78314 (S.D. Cal. 2008); Weltman v. Ortho Mattress, Inc., 2010 U.S. Dist. LEXIS 20521 (S.D. Cal. 2010); Weltman v. Ortho Mattress, Inc., 2008 U.S. Dist. LEXIS 60344 (S.D. Cal. 2008); Curry v. CTB McGraw-Hill, LLC, 2006 U.S. Dist. LEXIS 5920; 97 A.F.T.R.2d (RIA) 1888; 37 Employee Benefits Cas. (BNA) 2390 (N.D. Cal. 2006); Reynov v. ADP Claims Servs. Group, 2006 U.S. Dist. LEXIS 94332 (N.D. Cal. 2006); Kennedy v. Natural Balance Pet Foods, Inc., 2010 U.S. App. LEXIS 248 (9th Cir. 2010); Kennedy v. Natural Balance Pet Foods, Inc., 2008 U.S. Dist. LEXIS 38889 (S.D. Cal. 2008); Kennedy v. Natural Balance Pet Foods, Inc., 2007 U.S. Dist. LEXIS 57766 (S.D. Cal. 2007); Sussex v. Turnberry/MGM Grand Towers, LLC, 2009 U.S. Dist. LEXIS 29503 (D. Nev. 2009); Picus v. Wal-Mart Stores, Inc., 256 F.R.D. 651 (D. Nev. 2009); Tull v. Stewart Title of Cal., Inc., 2009 U.S. Dist. LEXIS 14171 (S.D. Cal. 2009); Keshishzadeh v. Gallagher, 2010 U.S. Dist. LEXIS 46805 (S.D. Cal. 2010); Keshishzadeh v. Arthur J. Gallagher Serv. Co., 2010 U.S. Dist. Lexis 116380 (S.D. Cal. 2010); In re Pet Food Prods. Liab. Litig., MDL Docket No. 1850 (All Cases), 2008 U.S. Dist. LEXIS 94603 (D.N.J. 2008); In re Pet Food Prods. Liab. Litig., 629 F.3d 333 (3rd Cir. 2010); Puentes v. Wells Fargo Home Mortgage, Inc., 160 Cal. App. 4th 638 (2008); Rezec v. Sony Pictures Entertainment, Inc., 116 Cal. App. 4th 135 (2004); Badillo v. Am. Tobacco Co., 202 F.R.D. 261 (D. Nev. 2001); La Jolla Friends of the Seals v. Nat'l Oceanic & Atmospheric Admin., 2010 U.S. App. Lexis 23025 (9th Cir. 2010); Dirienzo v. Dunbar Armored, Inc., 2011 U.S. Dist. Lexis 36650 (S.D. Cal. 2011); Rix v. Lockheed Martin Corp., 2011 U.S. Dist Lexis 25422 (S.D. Cal. 2011); Weitzke v. Costar Realty Info., Inc., 2011 U.S. Dist Lexis 20605 (S.D. Cal. 2011); Goodman v. Platinum Condo. Dev., LLC, 2011 U.S. Dist. LEXIS 36044 (D. Nev. 2011); Sussex v. Turnberry/MGM Grand Towers, LLC, 2011 U.S. Dist. LEXIS 14502 (D. Nev. 2011); Smith v. Kaiser Foundation Hospitals, Inc., 2010 U.S. Dist. Lexis 117869 (S.D. Cal. 2010); Dobrosky v. Arthur J. Gallagher Serv. Co., LLC, No. EDCV 13-0646 JGB (SPx), 2014 U.S. Dist. LEXIS 106345 (C.D. Cal. July 30, 2014); Metrow v. Liberty Mut. Managed Care LLC - Class Certification Granted, Metrow v. Liberty Mut. Managed Care LLC, No. EDCV 16-1133 JGB (KKx), 2017 U.S. Dist. LEXIS 73656 (C.D. Cal. May 1, 2017); Nelson v. Avon Products, Inc., Class Certification Granted, U.S. District Court for The Northern District of California, Case No. 13-cv-02276-BLF, 2015 U.S. Dist. LEXIS 51104 (N.D. Cal. Apr. 17, 2015); Orozco v. Illinois Tool Works Inc., Class Certification Granted, 2017 U.S. Dist. LEXIS 23179 (E.D. Cal. Feb. 16, 2017); Rieve v. Coventry Health Care, Summary Judgment *Sua Sponte* Granted for Plaintiff, Rieve v. Coventry Health Care, Inc., 870 F. Supp. 2d 856 (C.D. Cal. 2012)

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4G Wireless Wage Cases, Orange County Superior Court, JCCP No. 4736; Classic Party Rentals Wage & Hour Cases, Los Angeles Superior Court, Case No. JCCP No. 4672; Abu-Arafeh v. Norco Delivery Service, Inc., San Francisco County Superior Court, Case No. CGC-14-540601; Aburto v. Verizon, U.S. District Court, Southern District California, Case No. 11-cv-0088; Adkins v. Washington Mutual Bank, Class Certification Granted, San Diego County Superior Court, Case No. GIC819546; Agah v. CompUSA, U.S. District Court, Central District of California, Case No. SA CV05-1087 DOC (Anx); Akers v. The San Diego Union Tribune, San Diego County Superior Court, Case No 37-2010-00088571; Altman v. SolarCity Corporation, San Diego County Superior Court, Case No. 37-2014-00023450-CU-OE-CTL; Aquino v. Macy's West Stores, Orange County Superior Court, Case No. 30-2010-00395420; Baker v. Advanced Disability Management, Inc., Sacramento County Superior Court, Case No. 34-2014-00160711; Barcia v. Contain-A-Way, U.S. District Court, Southern District California, Case No. 07 cv 0938; Bates v. Verengo, Inc., Orange County Superior Court, Case No. 30-2012-00619985-CU-OE-CXC; Battle v. Charming Charlie Inc., San Diego

County Superior Court, Case No. 37-2014-00005608; Behar v. Union Bank, Orange County Superior Court, Case No. 30-2009-00317275; Bell v. John Stewart Company, Alameda County Superior Court, Case No. RG14728792; Bennett v. Custom Built Personal Training, Monterey County Superior Court, Case No. M127596; Bermant v. Bank of America, Investment Services, Inc., Los Angeles Superior Court, Civil Action No. BC342505; Bethley v. Raytheon Company, United States District Court, Central District of California, Case No. SACV10-01741; Betorina v. Randstad US, L.P., U.S. District Court Northern District of California, Case No. 3:15-cv-03646-MEJ; Beverage v. Edcoa Inc., Sacramento County Superior Court, Case No. 2013-00138279; Bova v. Washington Mutual Bank / JP Morgan Chase, U.S. District Court, Southern District California, Case No. 07-cv-2410; Bowden v. Sunset Parking Services, LLC & LAZ Parking California, LLC - Settled San Diego County Superior Court, Case No. 37-2012-00101751-CU-OE-CTL; Briseno v. American Savings Bank, Class Certification Granted, Orange County Superior Court, Case No. 774773; Brueske v. Welk Resorts, San Diego Superior Court, Case No 37-2010-00086460; Bueche v. Fidelity National Management Services, U.S. District Court, Eastern District of California, Case No. 13-cv-01114; Bunch v. Pinnacle Travel Services, LLC, Los Angeles County Superior Court, Case No. BC552048; Butler v. Stericycle, Inc & Appletree Answering Services of California, Inc., Sacramento County Superior Court, Case No. 34-2015-00180282; Cabral v. Creative Communication Tech., Class Certification Granted, Los Angeles Superior Court, Case No. BC402239; Cardoza v. Wal-Mart Associates, Inc., U.S. District Court Northern District of California, Case No. 4:15-cv-01634-DMR; Castro v. Vivint Solar, Inc., San Diego County Superior Court, Case No. 37-2014-00031385-CU-OE-CTL; Cavazos v. Heartland Automotive Services, Inc., Riverside County Superior Court, Case No. PSC 1401759; Cohen v. Bosch Tool, San Diego Superior Court, Case No. GIC 853562; Comstock v. Washington Mutual Bank - Class Certification Granted, San Diego County Superior Court, Case No. GIC820803; Conley v. Norwest, San Diego County Superior Court, Case No. N73741; Connell v. Sun Microsystems, Alameda Superior Court, Case No. RG06252310; Corrente v. Luxe Valet, Inc., San Francisco County Superior Court, Case No. CGC-15-545961; Cruz v. Redfin Corporation, U.S. District Court Northern District of California, Case No. 3:14-cv-05234-THE; Culley v. Lincare Inc. & Alpha Respiratory Inc., U.S. District Court eastern District of California, Case No. 2:15-cv-00081-GEB-CMK; Cunningham v. Leslie's Poolmart, Inc., U.S. District Court, Central District of California, Case No. 13-cv-02122-CAS; Curry v. California Testing Bureau/McGraw Hill, U.S. District Court, Northern District of California, Case No. C-05-4003 JW; Daniels, et al. v. Philip Morris,(In Re Tobacco Cases II) – Class Certification Granted, San Diego Superior Court, Case No. JCCP 4042; Davis v. Genex Holdings Inc., Santa Clara County Superior Court, Case No. 1-13-cv-240830; Davis v. Clear Connection, LLC, San Diego County Superior Court, Case No. 37-2014-00035173-CU-OE-CTL; Day v. WDC Exploration, Orange County Superior Court, Case No. 30-2010-00433770; Dedrick v. Hollandia Diary, San Diego County Superior Court, Case No. 37-2014-00004311-Cu-OE-CTL; Delmare v. Sungard Higher Education - Settled U.S. District Court, Southern District of California, Case No. 07-cv-1801; Del Rio v. Tumi Stores, Inc., San Diego County Superior Court, Case No. 37-2015-00022008-CU-OE-CTL; Dewane v. Prudential, U.S. District Court, Central District of California, Case No. SA CV 05-1031; Diesel v. Wells Fargo Bank, Orange County Superior Court, Case No. 30-2011-00441368; Dirienzo v. Dunbar Armored, U.S. District Court, Southern District of California, Case No. 09-cv-2745; Dobrosky v. Arthur J. Gallagher Service Company, LLC, Class certification Granted, No. EDCV 13-0646 JGB (Spx); Dodds v. Zaven Tootikian, Los Angeles County Superior Court, Case No. BC494402; Drumheller v. Radioshack Corporation, United States District Court, Central District of California, Case No. SACV11-355; Enger v. Kaiser Foundation Health Plan, U.S. District Court, Southern District of California, Case No. 09-cv-1670; Escobar v. Silicon Valley Security & Patrol, Inc., Santa Clara County Superior Court, Case No. 1-14-cv272514; Fierro v. Chase Manhattan - Class Certification Granted, Settled San Diego Superior Court, Case No. GIN033490; Figueroa v. Circle K Stores, Inc., San Diego County Superior Court, Case No. 37-2012-00101193-CU-OE-CTL; Finch v. Lamps Plus, (Lamps Plus Credit Transaction Cases), San Diego Superior Court, Case No. JCCP 4532; Fletcher v. Verizon, U.S. District Court, Southern

District of California, Case No. 09-cv-1736; Francisco v. Diebold, U.S. District Court, Southern District of California, Case No. 09-cv-1889; Friend v. Wellpoint, Los Angeles Superior Court, Case No. BC345147; Frudakis v. Merck Sharp & Dohme, U.S. District Court, Central District California, Case No. SACV 11-00146; Fulcher v. Olan Mills, Inc., U.S. District Court, Northern District of California, Case No. 11-cv-1821; Gabisan v. Pelican Products, U.S. District Court, Southern District California, Case No. 08 cv 1361; Galindo v. Sunrun Installation Services Inc., San Diego County Superior Court, Case No. 37-2015-00008350-CU-OE-CTL; Gallagher v. Legacy Partners Commercial, Santa Clara County Superior Court, Case No. 112-cv-221688; Ghattas v. Footlocker Retail, Inc., U.S. District Court Central District of California, Case No. CV 13-0001678 PA; Gibson v. World Savings, Orange County Superior Court, Case No. 762321; Goerzen v. Interstate Realty Management, Co., Stanislaus County Superior Court, Case No. 679545; Gomez v. Enterprise Rent-A-Car, U.S. District Court, Southern District of California, Case No. 3:10-cv-02373; Gordon v. Wells Fargo Bank, U.S. District Court, Southern District of California, Case No. 3:11-cv-00090; Grabowski v. CH Robinson, U.S. District Court, Southern District of California, Case No. 10-cv-1658; Gross v. ACS Compiq Corporation, Orange County Superior Court, Case No. 30-2012-00587846-CU-OE-CXC; Gripenstraw v. Buffalo Wild Wings, U.S. District Court, Eastern District of California, Case No. 12-CV-00233; Gruender v. First American Title, Orange County Superior Court, Case No. 06 CC 00197; Guillen v. Univision Television Group, Inc. & Univision Management Co., San Francisco County Superior Court, Case No. CGC-12-526445; Gujjar v. Consultancy Services Limited, Orange County Superior Court, Case No. 30-2010-00365905; Gutierrez v. Five Guys Operations, LLC, San Diego County Superior Court, Case No. 37-2012-00086185-CU-OE-CTL; Handler v. Oppenheimer, Los Angeles Superior Court, Civil Action No. BC343542; Harley v. Tavistock Freebirds, LLC, Sacramento County Superior Court, Case No. 34-2014-00173010; Harrington v. Corinthian Colleges – Class Certification Granted, Orange Superior Court; United States Bankruptcy Court District of Delaware; Harvey v. PQ Operations, Inc., Los Angeles County Superior Court, Case No. BC497964; Henshaw v. Home Depot U.S.A., United States District Court, Central District of California, Case No. SACV10-01392; Heithold v. United Education Institute, Orange County Superior Court, Case No. 30-2013-00623416-CU-OE-CXC; Hibler v. Coca Cola Bottling, Settled U.S. District Court, Southern District of California, Case No. 11cv0298; Hildebrandt v. TWC Administration LLC & Time Warner NY Cable, LLC, U.S. District Court, Central District of California, Case No. ED-cv-13-02276-JGB; Hopkins v. BCI Coca-Cola Bottling Company of Los Angeles, United states District Court, Central District of California; U.S. Court of Appeals 9th Circuit; Howard v. Southern California Permanente Medical Group, Los Angeles Superior Court, Case No. BC586369; Hughes v. Parexel International, Los Angeles County Superior Court, Case No. BC485950; Hurley v. Comcast of California/Colorado/Texas/Washington, Inc., Sonoma County Superior Court, Case No. SCV-253801; Irving v. Solarcity Corporation, San Mateo County Superior Court, Case No. CIV525975; Jacobs v. Nu Horizons - Settled Santa Clara County Superior Court, Case No. 111cv194797; Jefferson v. Bottling Group LLC (Pepsi) - Class Certification Granted, Orange County Superior Court, Case No. 30-2009-0018010; Jones v. E*Trade Mortgage, U.S. District Court, Southern District California Case No. 02-CV-1123 L (JAH); Kennedy v. Natural Balance - Dismissal Reversed on Appeal, San Diego Superior Court, Case No. 37-2007-00066201; Keshishzadeh v. Arthur J. Gallagher Service Co., U.S. District Court, Southern District of California, Case No. 09-cv-0168; Kinney v. AIG Domestic Claims / Chartis, U.S. District Court, Central District of California, Case No. 8:10-cv-00399; Kizer v. Tristar Risk Management, Orange County Superior Court, Case No. 30-2014-00707394-CU-OE-CXC; Kleinberg v. Reeve Trucking Company, Inc., San Diego County Superior Court, Case No. 37-2015-00001601-CU-OE-CTL; Kove v. Old Republic Title, Alameda County Superior Court, Case No. RG09477437; Krellcom v. Medley Communications, Inc., San Diego County Superior Court, Case No. 37-2013-00050245-CU-OE-CTL; Ladd v. Extreme Recovery, LP, Contra Costa County Superior Court, Case No. MSC11-02790; Langille v. EMC, U.S. District Court, Southern District of California, Case No. 09-cv-0168; Lawson v. Marquee Staffing, Los Angeles County Superior Court, Case No. 37-2012-00103717-

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Navajo Express, Inc. – San Bernardino County Superior Court, Case No. CIVDS1613846; Lara v. Commercial Protective Service, Inc. – Los Angeles County Superior Court, Case No. BC648921; Picos v. Culinary of California, Inc. – San Diego County Superior Court, Case No. JCCP 4892; Samaniego v. A&I Transport, Inc. – Santa Cruz County Superior Court, Case No. 16CV01894; Bailey v. Romanoff Floor Covering, Inc. – U.S. District Court, Eastern District of California, Case No. 17-CV-00685-TLN-CMK; Aguirre v. Bitech, Inc. – Sacramento County Superior Court, Case No. 34-2016-002022; Phillips v. DI Overnite LLC – San Diego County Superior Court, Case No. 37-2016-00016800-CU-OE-CTL; Jacob v. Pride Transport, Inc. – Santa Cruz County Superior Court, Case No. 16CV1337; Bennett v. Heartland Express, Inc. of Iowa – San Diego County Superior Court, Case No. 37-2016-00015056-CU-OE-CTL; Stapf v. Mercer Health & Benefits Administration LLC – Los Angeles County Superior Court, Case No. BC643007; Armstrong v. Ruan Transport Corporation – San Bernardino County Superior Court, Case No. CIVDS1605897; Geiger v. Floyd's 99-California LLC – Orange County Superior Court, Case No. 30-2016-00874943-CU-OE-CXC; Mondrian v. Trius Trucking, Inc. – Fresno County Superior Court, Case No. 16CECG01501; Johnson v. Fedex Office and Print Services, Inc. – Alameda County Superior Court, Case No. RG17856291; Rios v. Pacific Western Bank – San Diego County Superior Court, Case No. 37-2016-00038083; Sanders v. Old Dominion Freight Lines, Inc. – San Diego County Superior Court, Case No. 37-2016-00030725-CU-OE-CTL; Taylor v. Gardner Trucking, Inc. – San Bernardino County Superior Court, Case No. CIVDS1614280; Couture v. Wal-Mart Associates, Inc. – U.S. District Court, Eastern District of California, case No. 16-CV-02202-VC; Bertuol v. AHMC Anaheim Regional Medical Center LP – Orange County Superior Court, Case No. 30-2017-00899024-CO-OE-CXC; Espinoza v. Prime Communications of California, LLC – San Mateo County Superior Court, Case No. 16CIV01563; Archuletta v. Tidy Services, Inc. – Orange County Superior court, Case No. 30-2016-008611892-CU-OE-CXC; Puccini v. Earthbound Farm, LLC – Santa Clara County Superior Court, Case No. 17CV308643; Vikram v. First Student Management, LLC – U.S. District Court, Northern District of California, Case No. 17-CV-04656-KAW; Blair v. Ashley Distribution Services, LTD. – U.S. District Court, Central District of California, Case No. 17-CV-01427-JAK-SP; Richardson v. Service Staffing, LLC – Orange County Superior Court, Case No. 30-2017-00899039-CU-OE-CXC; Coffin v. Certified Freight Logistics, Inc. – San Diego County Superior Court, Case No. 37-2016-00036523-CU-OE-CTL; Encarnacion v. S.A.S. Services Group, Inc. – San Diego County Superior Court, Case No. 37-2017-00026726-CU-OE-CTL; Vasquez v. Golden State Overnight Delivery Service, Inc. – Alameda County Superior Court, Case No. RG17862924; Karr v. Tristar Managed Care, Inc. – Contra Costa Superior Court, case No. MSC17-00650; Gouveia v. Central Cal Transportation – San Joaquin County Superior Court, Case No. STK-CV-UOE-2017-0001765; Miranda v. Genex Services, LLC – U.S. District Court, Northern District of California, Case No. 17-CV-01438-JD; Spears v. Health Net of California, Inc. – Sacramento County Superior Court, Case No. 34-2017-00210560; Martinez v. Geil Enterprises, Inc. – Fresno County Superior Court, Case No. 17CECG01879; McComack v. Marriott Ownership Resorts, Inc. – U.S. District Court, Southern District of California, Case No. 17CV1663 BEN WVG; Velasco v. Lemonade Restaurant Group, LLC – Los Angeles County Superior Court, Case No. BC672235; Smith v. Personnel Services, Inc. – U.S. District Court, Northern District of California, Case NO. 17-CV-03594-SK; Gabriel v. Kuni SDA, LLC – San Diego County Superior Court, Case No. 37-2017-000251191-CU-OE-CTL; Miller v. Mattress Firm, Inc. – Santa Clara County Superior Court, Case No. 17CV313148; Provost v. Yourmechanic, Inc. – San Diego County Superior Court, Case No. 37-2017-00024056-CU-OE-CTL; Zirpolo v. UAG Stevens Creek II, Inc. – Santa Clara County Superior Court, Case No. 17CV313457; Salazar v. Aids Healthcare Foundation – San Diego County Superior Court, Case No. 37-2017-00033482-CU-OE-CTL; Knipe v. Amazon.com, Inc. – San Diego County Superior Court, Case No. 37-2017-00029426-CU-OE-CTL; Erwin v. Caremeridian, LLC – Fresno County Superior Court, Case No. 17CECG03048; Davis v. Cox Communications California, LLC – U.S. District Court, Southern District of California, Case No. 16-CV-00989-BAS-BLM; Lara v. RMI International, Inc. – Los Angeles County Superior Court, Case No. BC597695; Harper v. C.R. England, Inc. – U.S. District Court, Utah Central

Division, Case No. 16-CV-00906-DB; Mrazik v. C.H. Robinson Company – U.S. District Court, Central District of California, Case No. 12-CV-02067-CAS-PLA; Horn v. Rise Medical Staffing, LLC – U.S. District Court, Eastern District of California, Case No. 2:17-cv-01967-MCE-KJN; Pasallo v. GSG Protective Services CA Inc. – San Diego Superior Court, Case No. 37-2018-00037611-CU-OE-CTL; Smith v. Pacific Personnel Services, Inc. – U.S. District Court, Northern District of California, Case No. 17-cv-03594-SK; Terrado v. Accredited Debt Relief, LLC – San Diego Superior Court, Case No. 37-2018-00014181-CU-OE-CTL; Escobedo v. Pacific Western Bank – Los Angeles Superior Court, Case No. BC682686; Wade v. Automobile Club of Southern California – Orange County Superior Court, Case No. 30-2017-00960268-CU-OE-CXC; Montano v. American Automobile Association of Northern California – Contra Costa County Superior Court, Case No. CIVMSC18-01539; Perez v. Summit Interconnect, Inc. – Orange County Superior Court, Case No. 30-2018-00995403-CU-OE-CXC; Wolleson v. Gosch Imports, Inc. – Riverside County Superior Court, Case No. RIC170356; Banuelos v. Ortho Mattress, Inc. – Orange County Superior Court, Case No. 30-2020-01161304-CU-OE-CXC; Castellanos v. Miller Automotive Group, Inc. – Los Angeles County Superior Court, Case No. BC699211; Tressler v. Spoonful Management, LLC – Los Angeles County Superior Court, Case No. BC71940; Delph v. Employee Retention Services, LLC – San Diego County Superior Court, Case No. 37-2018-00007885; Romero v. May Trucking Company – U.S. District Court, Central District of California, Case No. 5:17-cv-02166-JGB-SHK; Miranda v. Genex Services, LLC – San Bernardino County Superior Court, Case No. CIVDS1700779; Moore v. Zirx Transportation Services, Inc. – Los Angeles County Superior Court, Case No. CGC-18-566655; Sottile v. Motion Recruitment Partners – Santa Clara County Superior Court, Case No. 18CV321677; Shahbazian v. Fast Auto Loans, Inc. – U.S. District Court, Central District of California, Case No. 2:18-cv-03076-ODW-KS; Salazar v. Johnson & Johnson Consumer Inc. – Los Angeles County Superior Court, Case No. BC702468; Conti v. L’Oreal USA S/D, Inc. – U.S. District Court, Eastern District of California, Fresno, Case No. 1:19-CV-00769-LJO-SKO; Mercado v. Security Industry Specialists, Inc. – Santa Clara County Superior Court, Case No. 17CV320059; Vikili v. Dignity Health – San Francisco County Superior Court, Case No. CGC-18-569456; Bagby v. Swissport SA, LLC – Los Angeles County Superior Court, Case No. BC691058; Henry v. Motion Entertainment Group, LLC – San Francisco County Superior Court, Case No. CGC18565643; Dandoy v. West Coast Convenience, LLC – Alameda County Superior Court, Case No. HG20051121; Lanuza v. AccentCare, Inc. – San Francisco County Superior Court, Case No. CGC-18-565521; Thomas v. Easy Driving School, LLC – San Diego County Superior Court, Case No. 37-2018-00047639-CU-OE-CTL; Erickson v. Erickson – Contra Costa County Superior Court, Case No. MSC18-00307; Martin v. Menzies Aviation (USA) Inc. – San Francisco County Superior Court, Case No. CGC-18-566072; Mortimer v. Healthsouth Bakersfield Rehabilitation Hospital, LLC – Kern County Superior Court, Case No. BCV-18-102761; Alcaraz v. Red Lion Hotels Corporation – San Francisco County Superior Court, Case No. CGC-18-570310; Calhoun v. Total Transportation and Distribution, Inc. – San Diego County Superior Court, Case No. 37-2018-00058681-CU-OE-CTL; Rataul v. Overton Security Services, Inc. – Alameda County Superior Court, Case No. RG18891882; Beltran v. Compass Bank – San Diego County Superior Court, Case No. 37-2019-00024475-CU-OE-CTL; Kirshner v. Touchstone Golf, LLC – San Diego County Superior Court, Case No. 37-2018-00028865-CU-OE-CTL; Pizarro v. The Home Depot, Inc. – U.S. District Court for the Northern District of Georgia-Atlanta Division; Hatanaka v. Restore Rehabilitation, LLC – San Diego County Superior Court, Case No. 37-2018-00034780-CU-OE-CTL; Faria v. Carriage Funeral Holdings, Inc. – Contra Costa County Superior Court, Case No. MSC18-00606; Ontiveros v. Baker Concrete Construction, Inc. – Santa Clara County Superior Court, Case No. 18CV328679; Morales v. Redlands Automotive Services, Inc. – San Bernardino County Superior Court, Case No. CIVDS1807525; Ramirez v. Carefusion Resources, LLC – U.S. District Court, Southern District of California; Amster v. Starbucks Corporation – San Bernardino Superior Court, Case No. CIVDS1922016; Kutzman v. Derrel’s Mini Storage, Inc. – U.S. District, Eastern District of California, Case No. 1:18-cv-00755-AWI-JLT; Marks v. Universal Propulsion Company, Inc. – Solano County Superior Court, Case No. FCS051608; Martinez v. Geil Enterprises,

Inc. – Fresno County Superior Court, Case No. 17CECG01480; Teniente v. Cirrus Asset Management, Inc. – Los Angeles County Superior Court, Case No. 20STCV16302; Blackshear v. California Fine Wine & Spirits LLC – Sacramento County Superior Court, Case No. 34-2018-00245842; Warnick v. Golden Gate America West LLC – Los Angeles County Superior Court, Case No. BC714176; Bennett v. Dnata Aviation USA, Inc. – San Francisco County Superior Court, Case No. CGC-18-566911; George v. PF Stockton Fitness LLC – Sacramento County Superior Court, Case No. 34-2019-00261113-CU-OE-GDS; Oshana v. Farmers and Merchants Bank of Central California – Stanislaus County Superior Court, Case No. CV-19-003427; Vasquez v. Packaging Corporation of America – U.S. District Court, California Central District, Case No. 2:19-cv-01935-PSG-PLA; Palomino v. Zara USA Inc. – Orange County Superior Court, Case No. 30-2018-00992682-CU-OE-CXC; Simmons v. Joe & The Juice LA, LLC – San Francisco County Superior Court; Pacia v. CIM Group, L.P. – Los Angeles County Superior Court, Case No. BC709666; Flores v. Plastic Express – Los Angeles County Superior Court, Case No. BC71971; Madera v. William Warren Properties, Inc. – Orange County Superior Court, Case No. 30-2019-01055704-CU-OE-CXC; Hernandez v. Quality Custom Distribution – Orange County Superior Court, Case No. 30-2018-01010611-CU-OE-CXC; Arango v. Schlumberger Technology Corporation – Orange County Superior Court, Case No. 30-2019-01056839-CU-OE-CXC; Dandoy v. West Coast Convenience, LLC – Alameda County Superior Court, Case No. HG20051121; Ramirez v. J E H Enterprises, Inc. – San Francisco County Superior Court, Case No. CGC-19-574691; Sullen v. First Service Residential California, LLC – San Francisco County Superior Court, Case No. CGC-19-575131; Valentino v. East Bay Tire Co. – Solano County Superior Court, Case No. FCS053067; Murphy v. Rockler Retail Group, Inc. – Sacramento Superior Court, Case No. 34-2019-00251220; Shahbazian v. Onewest Bank – Los Angeles County Superior Court, Case No. 19STCV23722; Bruemmer v. Tempur Retail Stores LLC – Marin County Superior Court, Case No. CIV1803646; Antonios v. Interface Rehab, Inc. – Orange County Superior, Case No. 30-2019-01067547-CU-OE-CXC; Tavallodi v. DC Auto, Inc. – San Bernardino, Case No. CIVDS1833598; Miranda v. The Lloyd Pest Control Co. – San Diego County Superior Court, Case No. 37-2018-00052510-CU-OE-CTL; Soenardi v. Magnussen Imports, Inc. – Santa Clara County Superior Court, Case No. 18CV340003; Thai v. Team Industrial Services, Inc. – Los Angeles County Superior Court, Case No. 19STCV21953; Castillo v. A.J. Kirkwood & Associates, Inc. – Los Angeles County Superior Court, Case No. 19STCV04435; Moss v. Jabil Inc. – Alameda County Superior Court, Case No. HG20050536; Billosillo, Jr. v. Crown Energy Services, Inc. – San Diego County Superior Court, Case No. 37-2018-00058254-CU-OE-CTL; Tarkington v. Freetime, Inc. – San Diego County Superior Court, Case No. 37-2019-00011473-CU-OE-CTL; McIntyre v. J.J.R. Enterprises, Inc. – Sacramento County Superior Court, Case No. 34-2019-00251220; Bucur v. Pharmaca Integrative Pharmacy, Inc. – San Diego County Superior Court, Case No. 37-2019-00009409-CU-OE-CTL; Batin v. McGee Air Services, Inc. – Santa Clara County Superior Court, Case No. 19CV347733; Terry v. McGee Air Services, Inc. – King County Superior Court of Washington, Case No. 19-2-3321-5 KNT; Weiss v. Niznik Behavioral Health Resources, Inc. – San Diego County Superior Court, Case No. 37-2019-00039441-CU-OE-CTL; Cavada v. Inter-Continental Hotels Group, Inc. – U.S. District Court, Southern District of California, Case No. 3:19-cv-01675-GPC-AHG; Lesevic v. Spectraforce Technologies, Inc. – U.S. District Court, Northern District of California, Case No. 5:19-cv-03126-LHK; Mutchler v. Circle K Stores, Inc. – San Diego County Superior Court, Case No. 37-2020-00016331-CU-OE-CTL; Azima v. CSI Medical Group – Santa Clara County Superior Court, Case No. 19CV345450; Porras v. Baypointe Enterprises, LLC – Los Angeles County Superior Court, Case No. 19STCV31015; Mitchell v. Mack Trucking, Inc. – San Bernardino County Superior Court, Case No. CIVDS1928334; Watts v. T.R.L. Systems, Incorporated – Orange County Superior Court, Case No. 30-2019-01102457-CU-OE-CXC; Price v. DMSD Restaurants Inc. – San Diego County Superior Court, Case No. 37-2019-00024062-CU-OE-CTL; Jacobs v. Nortek Security & Control LLC – San Diego County Superior Court, Case No. 37-2019-0019735-CU-OE-CTL; Gonzalez v. Hub International Midwest – San Bernardino County Superior Court, Case No. CIVDS1900463; Cisneros v. Bluepearl California, Inc. – San Mateo Superior Court, Case No. 19-

CIV-05707; Garcia v. Gallagher Basset Services – San Bernardino Superior Court, Case No. CIVDS2004140; Callow v. Adventist Health System/West – Placer County Superior Court, Case No. SCV0043607; Dominguez v. Kimco Facility Services, LLC – Los Angeles County Superior Court, Case No. 19STCV37592; Searles v. Robert Heath Trucking, Inc. – Los Angeles County Superior Court, Case No. 19STCY30808; Rangel v. Pioneer Hi-Bred international, Inc. – Yolo County Superior Court, Case No. CV-19-1797; Ivon v. Sinclair Television of California, Humboldt County Superior Court, Case No. DR190699; Williams v. Henkels & McCoy, Inc. – San Bernardino County Superior Court, Case No. CIVDS2003888; Cano v. Larry Green Chrysler Jeep Dodge, Inc. – Riverside County Superior Court, Case No. BLC1900184; Lopez v. Cepheid – Santa Clara County Superior Court, Case No. 19CV358827; Hernandez v. Quick Dispense, Inc. – Los Angeles County Superior Court, Case No. 19STCV29405; Lopez v. Lacoste USA, Inc. – San Bernardino County Superior Court, Case No. CIVDS1914626; Duhe v. Hospital Couriers Nevada, LLC – Contra Costa County Superior Court, Case No. MSC19-01377; Law v. Sequoia Equities, Incorporated – Contra Costa Superior Court, Case No. C19-01925; Dvorak v. Rockwell Collins, Inc. – San Diego County Superior Court, Case No. 37-2019-00064397-CU-OE-CTL; Noguera v. Metal Container Corporation – Riverside County Superior Court, Case No. RIC2003235; Leon v. Miller Event Management, Inc. – San Luis Obispo Superior Court, Case No. 19CV-0435; Leon v. Miller Event Management, Inc. – San Luis Obispo County Superior Court, Case No. 19CV-0435, Camacho-Bias v. Serve U Brands Inc. – Butte County Superior Court, Case No. 20CV00603; La Pietra v. Entertainment Partners Services, LLC – Los Angeles County Superior Court, Case No. 19STCV39529; Celis v. Theatre Box - San Diego, LLC – San Diego County Superior Court, Case No. ____; Ignacio v. Laboratory Corporation of America – U.S. District Court, California Central District, Case No. 2:19-cv-06079-AB-RAO; Kovnas v. Cahill Contractors LLC – Alameda County Superior Court, Case No. RG19037852; Hersh v. Mrs. Gooch's Natural Food – Los Angeles County Superior Court, Case No. 19STCV10444; Miller v. The Permanente Medical Group – Alameda County Superior Court, Case No. RG19045904; Vasquez v. Autoalert, LLC – Orange County Superior Court, Case No. 30-2019-01114549-CU-OE-CXC; Cavanaugh v. Morton Golf, LLC – Sacramento County Superior Court, Case No. 34-2019-00270176; Coley v. Monroe Operations, LLC – Alameda County Superior Court, Case No. RG20063188; Ramirez v. Sierra Aluminum Company – U.S. District Court, California Central District Court, Case No. 5:20-cv-00417-JGB-KK; Marrero v. Stat Med, P.C. – Alameda County Superior Court, Case No. HG19043214; Enriquez v. Solari Enterprises, Inc. – Los Angeles County Superior Court, Case No. 20STCV11129; Craig v. Hometown Heart – San Francisco County Superior Court, Case No. CGC-20-582454; Lopez v. Hy0Lang Electric California, Inc. – San Diego County Superior Court, Case No. 37-2020-00012543-CU-OE-CTL; Heuklom v. Clara Medical Group, P.C. – San Francisco County Superior Court, Case No. CGC-20-585918; Dominguez v. Lifesafer of Northern California – Monterey County Superior Court, Case No. 20CV002586; Kiseleva v. Totalmed Staffing Inc. – U.S. District Court, California Northern District, Case No. 5:19-cv-06480; Vires v. Sweetgreen, Inc. – Santa Clara County Superior Court, Case No. 20CV365918; Kim v. Wireless Vision, LLC – San Bernardino County Superior Court, Case No. CIVDS2000074; Senoren v. Air Canada Corporation – Los Angeles County Superior Court, Case No. 20STCV13942; Clark v. Quest Diagnostics Incorporated – San Bernardino County Superior Court, Case No. CIVDS2018707; Green v. Shipt, Inc. – Los Angeles County Superior Court, Case No. 20STCV01001; Respass v. The Scion Group LLC – Sacramento County Superior Court, Case No. 34-2020-00285265; Jackson v. Decathlon USA LLC – Alameda County Superior Court, Case No. RG2003024; Avacena v. FTG Aerospace Inc. – Los Angeles County Superior Court, Case No. 20STCV28767; Perez v. Butler America, LLC – Los Angeles County Superior Court, Case No. 20STCV20218; Christensen v. Carter's Retail, Inc. – Orange County Superior Court, Case No. 30-2020-01138792-CU-OE-CXC; Astudillo v. Torrance Health Association, Inc. – Los Angeles County Superior Court, Case No. 20STCV18424; Hansen v. Holiday AI Management Sub LLC – Contra Costa County Superior Court, Case No. CIVMSC20-00779; Almahdi v. Vitamin Shoppe Industries Inc – Santa Clara County Superior Court, Case No. 20CV365150; Krisinda v. Loyal Source Government Services LLC – U.S. District Court, California

Southern District, Case No. 3:20-cv-879-LAB-NLS; Ettedgui v. WB Studio Enterprises Inc – U.S. District Court, California Central District, Case No. 2:20-CV-08053-MCS (MAAx); Fernandez v. Nuvision Federal Credit Union – Orange County Superior Court, Case No. 30-2020-01161691-CU-OE-CJC; Aviles v. UPS Supply Chain Solutions, Inc. – Riverside County Superior Court, Case No. RIC2000727; Alcocer v. DSV Solutions, LLC – San Bernardino Superior Court, Case No. CIVDS2010345; Wilson v. Wholesome Harvest Baking, LLC – U.S. District Court, California Northern District, Case No. 4:20-cv-05186-YGR; Gregory v. Verio Healthcare, Inc. – Los Angeles County Superior Court, Case No. 20STCV37254; Rose v. Impact Group, LLC – Orange County Superior Court, Case No. 30-2020-01141107-CU-OE-CXC; Monasterio v. Citibank, N.A. – San Mateo County Superior Court, Case No. 20-CIV-03650; Martinez-Lopez v. Medamerica, Inc. – San Diego County Superior Court, Case No. 37-2020-00034393-CU-OE-CTL; Cox v. PRB Management, LLC – Solano County Superior Court, Case No. FCS055514; Nash v. K. Hovnanian Companies, LLC – Riverside County Superior Court, Case No. RIC2003319; Kyler v. Harbor Freight Tools USA, Inc. – San Diego County Superior Court, Case No. 37-2020-00015828-CU-OE-CTL; Roberts v. Solantic Corporation – Los Angeles County Superior Court, Case No. 20STCV41117; Price v. Mistras Group, Inc. – Los Angeles County Superior Court, Case No. 20STCV22485; Macias v. ABM Electrical & Lighting Solutions, Inc. – San Diego County Superior Court, Case No. 37-2020-00024997-CU-OE-CTL; Basu-Kesselman v. Garuda Labs, Inc. – San Francisco County Superior Court, Case No. CGC-20-585229; Armstrong v. Prometric LLC – Los Angeles County Superior Court, Case No. 20STCV29967; Ashlock v. Advantis Medical Staffing, LLC – San Diego County Superior Court, Case No. 37-2020-00022305-CU-OE-CTL; Wilson v. WXI Global Solutions, LLC – Los Angeles County Superior Court, Case No. 20STCV25007; Gandhale v. Select Rehabilitation, LLC – Monterey County Superior Court, Case No. 20CV002240; Starvoice v. G4S Secure Solutions (USA) Inc. – San Diego County Superior Court, Case No. 37-2020-00029421-CU-OE-CTL; Mbise v. Axlehire, Inc. – Alameda County Superior Court, Case No. RG20067350; Points v. C&J Services, Inc. – Kern County Superior Court, Case No. BCV-20-102483; Marshall v. PHI Air Medical, LLC – Lassen County Superior Court, Case No. 62973; Jauregui v. Cytotec Engineered Materials, Inc. – Orange County Superior Court, Case No. 30-2020-01164932-CU-OE-CXC

EXHIBIT #2

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (“Agreement”) is made by and between plaintiffs Ismael Ortega, Krisinda Wolfe, Doris Williams-Jenkins and Lilia Silva (“Plaintiffs”) and defendant Loyal Source Government Services, LLC (“Defendant”). Plaintiffs and Defendant collectively are referred to in this Agreement as the “Parties.”

I. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

- A. “Action” means the operative complaints which are currently captioned as *Ortega, et al. v. Loyal Source Government Services, LLC*, Case No. 3:20-cv-00879 and *Ortega v. Loyal Source Government Services, LLC*, Case No. 3:20-cv-01173 consolidated and both pending in the United States District Court, Southern District of California.
- B. “Aggrieved Employees” means all individuals who worked for Defendant in California as non-exempt employees at any time during the PAGA Period.
- C. “California Class Period” means the period of time from February 14, 2016 to September 29, 2020.
- D. “Class” means both the California Class and the FCRA Class, as defined herein. The California Class is defined as all individuals who worked for Defendant in California as non-exempt employees during the California Class Period (the “California Class”). The FCRA Class is defined as all employees or prospective employees of Defendant in the United States for whom Defendant procured a background check during the FCRA Class Period (the “FCRA Class”).
- E. “Class Counsel” means Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik, Jeffrey S. Herman and Christine T. LeVu of Blumenthal Nordrehaug Bhowmik De Blouw LLP.
- F. “Class Counsel Fees Payment” mean the amount awarded to Class Counsel by the Court to compensate them for their attorneys’ fees in connection with prosecuting the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all related Settlement activities, and all post-Settlement compliance procedures.
- G. “Class Counsel Litigation Expenses Payment” means the amount awarded by the Court to pay Class Counsel for all litigation expenses billed to the client in connection with this Action.
- H. “Class Data” means, for each Class Member: his or her name; last-known mailing address; last known telephone number; Social Security Number; an identification of whether the Class Member is in the FCRA Class, the California Class and/or

both, and in addition for the California Class Members, the total number of workweeks worked during the California Class Period and in the PAGA Period.

- I. “Class Member” is a member of the Class.
- J. “Class Notice” means the Notice of Proposed Settlement of Class Action and Hearing Date for Final Court Approval substantively in the form attached as Exhibit A to this Agreement and incorporated by reference into this Agreement.
- K. “Class Notice Packet” means the Class Notice to be provided to the Class Members by the Settlement Administrator which contains the individualized information for each Class Member.
- L. “Class Period” means the California Class Period for the California Class, and the FCRA Class Period for the FCRA Class.
- M. “Class Representative Service Payment” means the service payment made to the Plaintiffs in their individual capacity as a Class Representative in order to compensate each of them for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant’s fees, costs and expenses in the event they were unsuccessful in the prosecution of the Action, and for the general release of all claims by the Plaintiffs.
- N. “Court” means the United States District Court, Southern District of California.
- O. “Effective Date” of the Settlement means the later date as applicable between the following:
 - 1. If there are no objections, the date 33 days after the Court has granted Final Approval approving this settlement and the Court has entered the final Judgment;
 - 2. If an objection to the Settlement is made but no appeal is filed, the date 15 days after the date the Judgment is final and no longer subject to appeal; or,
 - 3. If an appeal is filed from Final Approval, 15 days after the date a Judgment approving this settlement without modification to the terms of the Settlement is final and all appeals are exhausted.
- P. “Election Not to Participate in Settlement” means the written request by a Class Member to exclude himself or herself from the Settlement submitted in accordance with the instructions in the Class Notice.
- Q. “FCRA Class Period” means the period of time from February 14, 2018 to September 29, 2020.
- R. “Final Approval” means the date on which the Court enters a final order and judgment certifying the settlement class, dismissing the Action with prejudice and

approving the settlement.

- S. “Final Approval Hearing” means the hearing to be conducted by the Court to determine whether to enter an order granting final approval of this Settlement and implement the terms of this Agreement.
- T. “Gross Settlement Amount” means Two Million Seven Hundred and Fifty Thousand Dollars (\$2,750,000) to be paid by Defendant as provided by this Agreement. This amount is all-inclusive of all payments contemplated in this Agreement for final resolution of this Action including all payments to Class Members, payments to Aggrieved Employees, any attorneys’ fees, costs and expenses related to the Action (which include all such fees and costs incurred to date, as well as all such fees and costs incurred in documenting the settlement, securing court approval of the settlement, administering the settlement, and obtaining a dismissal of the Action), the service payments to the Plaintiffs, the payment to the Labor and Workforce Development Agency, and all costs of settlement administration. The employer’s share of payroll taxes on any portion of the payments allocated to wage payments shall be paid separately by Defendant to the Settlement Administrator and shall not be paid from the Gross Settlement Amount. The Gross Settlement Amount is all in with no reversion to Defendant and shall be paid without the need to submit a claim form.
- U. “Judgment” means the Judgment entered by the Court following the Court's order granting Final Approval of this Settlement and dismissing this Action in a form consistent with the form attached hereto as Exhibit C.
- V. “Defendant’s Counsel” means Kevin Harlow, Isabel Crosby and Breegan O’Connor of DLA Piper LLP (US).
- W. “Net Settlement Amount” means the Gross Settlement Amount less the Court-approved amounts for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the PAGA Payment, and the Settlement Administration Costs. Defendant’s share of payroll taxes shall not be paid from the Gross Settlement Amount. All disbursements will be made by the Settlement Administrator.
- X. “Non-Participating Class Member” means a Class Member who excludes himself or herself from the Class by submitting a valid and timely Election Not to Participate in Settlement.
- Y. “PAGA Period” means the period of time from February 14, 2019 to September 29, 2020.
- Z. “Participating Class Member” means a Class Member who does not submit a valid and timely Election Not to Participate in Settlement.

- AA. “Preliminary Approval of the Settlement” means the date on which the Court enters an order granting preliminary approval of this Settlement without any material change to the Settlement.
- BB. “Released Parties” means Defendant, Defendant’s respective past, present and future parents, subsidiaries, corporations, divisions, and successors and assigns, and the past, present and future shareholders, managers, officers, partners, members, directors, agents, employees, attorneys, insurers, predecessors, successors and assigns of Defendant, and any other individual or entity which could be held liable for any of the claims released in this Agreement. This specifically includes, but is not limited to, any actual or putative joint employer(s) of the Class Member(s) and/or any consumer reporting agency or other person or entity that participated in any manner in providing notice, conducting, and/or reporting any background check(s) of the FCRA Class Members.
- CC. “Settlement” means the settlement and disposition of this Action and all Released Class Claims as embodied and effectuated by this Agreement.
- DD. “Settlement Administrator” means KCC, as approved by the Court.
- EE. “Settlement Share” means each Participating Class Member’s share of the California Settlement Amount and FCRA Class Amount as provided by this Agreement.

II. RECITALS

- A. On February 14, 2020, plaintiff Ismael Ortega filed a class action Complaint against Defendant (“Class Action Action”) in the Superior Court of the State of California, County of San Diego. Plaintiff Ismael Ortega asserted claims against Defendant for:
1. Unfair competition in violation of California Business and Professions Code §17200 *et seq.*;
 2. Failure to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*;
 3. Failure to pay minimum wages in violation of California Labor Code §§ 1194, 1197 & 1197.1;
 4. Failure to provide required meal periods in violation of California Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order;
 5. Failure to provide required rest periods in violation of California Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order;
 6. Failure to provide accurate itemized wage statements in violation of

California Labor Code § 226;

7. Failure to provide reimbursements in violation of California Labor Code § 2802;
 8. Failure to timely provide wages due in violation of California Labor Code §§ 201, 202, and 203;
- B. On May 11, 2020, Defendant filed a general denial along with 32 affirmative defenses to the complaint in the Class Action in state court and filed a notice to remove the Class Action to federal court.
- C. On May 26, 2020, plaintiff Ismael Ortega filed a Complaint for recovery of civil penalties under the Private Attorneys General Act, Cal. Labor Code §§ 2689 *et seq.* (“PAGA”) against Defendant (“PAGA Action”), Case Number 37-2020-00015529-CU-OE-CTL, in the Superior Court of the State of California, County of San Diego.
- D. On June 25, 2020, Defendant filed a general denial along with 23 affirmative defenses to complaint in the PAGA Action in state court and filed a notice to remove the PAGA Action to federal court.
- E. The Class Action and PAGA Action were subsequently removed to federal court and assigned as Case No. 3:20-cv-01173 and Case No. 3:20-cv-00879, respectively.
- F. On July 31, 2020, Honorable Larry A. Burns ordered that the Class Action and the PAGA Action be consolidated under Case No. 3:20-cv-00879.
- G. On September 4, 2020, the Court granted the Parties joint motion and stipulation for leave for Plaintiff Ismael Ortega to file a First Amended Complaint.
- H. On September 4, 2020, plaintiffs Ismael Ortega, Krisinda Wolfe, Doris Williams-Jenkins and Lilia Silva filed a First Amended Complaint (“FAC”) against Defendant to the United States District Court, Southern District of California. Plaintiffs collectively asserted the same causes of action brought by Plaintiff Ismael Ortega in his initial complaint but added four additional causes of action:
9. Violation of the Fair Credit Reporting Act (FCRA) for failure to make proper disclosures (15 U.S.C. § 1681, *et seq.*);
 10. Violation of the Fair Credit Reporting Act for failure to obtain proper authorization (15 U.S.C. § 1681, *et seq.*);
 11. Violation of the Investigative Consumer Reporting Agencies Act for Failure to Make Proper Disclosures (California Civil Code § 1786, *et seq.*); and,

12. Violation of the Consumer Credit Reporting Agencies Act for Failure to Obtain Proper Consumer Reporting Agencies Act for Failure to Make Proper Disclosures (California Civil Code § 1786, *et seq.*)
- I. On September 29, 2020, the Parties participated in an all-day mediation presided over by David A. Rotman, a respected jurist and mediator of employment class actions. During the mediation, each side, represented by its respective counsel, agreed to settle the Action and all other matters covered by this Agreement pursuant to the terms and conditions pursuant to the Parties' Memorandum of Understanding executed following the mediation. This Agreement replaces and supersedes the Memorandum of Understanding previously entered into following the mediation and any other agreements, understandings, or representations, whether oral or written, between the Parties.
- J. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs or the Class have merit or that Defendant bears any liability to Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendant will pay under this Settlement is Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000). This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Settlement Shares allocated to wages which shall be separately paid by Defendant to the Settlement Administrator. All of the Gross Settlement Amount will be disbursed pursuant to this Agreement without the need to submit a claim form and none of the Gross Settlement Amount will revert to Defendant.
- B. **Class Settlement Allocation.** The allocation of payment of claims between the California Class Members shall be paid based on the number of **workweeks** worked by California Class Members during the California Class Period. The allocation of payment of claims between the FCRA Class Members pays the FCRA Class Members one (1) equal flat amount payment per FCRA Class Member. The Net Settlement Amount shall be divided 41% to the FCRA Class Members (the "FCRA Settlement Amount") and 59% to the California Class Members and Aggrieved Employees (the "California Settlement Amount").

C. **Payments from the Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments to be deducted from the Gross Settlement Amount as follows:

1. **To Plaintiffs:** In addition to their respective Settlement Shares, the Plaintiffs will apply to the Court for an award of not more than \$10,000 each as their Class Representative Service Payment. Defendant agrees not to oppose a Class Representative Service Payment of up to \$10,000 for each of the Plaintiffs. The Settlement Administrator will pay the Class Representative Service Payments approved by the Court out of the Gross Settlement Amount. If the Court approves a Class Representative Service Payment of less than \$10,000 to any of the Plaintiffs, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Because such payments do not constitute alleged wage loss, payroll tax withholding and deductions will not be taken from the Class Representative Service Payment and instead a Form 1099 will be issued to the Plaintiffs with respect to the payment.
2. **To Class Counsel:** Class Counsel will apply to the Court for an award of not more than one-third of the Gross Settlement Amount, which is presently \$916,666.67, as their Class Counsel Fees Payment and an amount not more than \$30,000 for all expenses billed to Plaintiffs as documented and supported in Class Counsel's billing records as their Class Counsel Litigation Expenses Payment. Defendant agrees not to oppose Class Counsel's request for such Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment provided that documentation of all of Class Counsel's expenses is provided to Defendant's counsel and that the expenses are approved by the Court. The Settlement Administrator will pay the amounts for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment approved by the Court (but not more than one-third of the Gross Settlement Amount, which is presently \$916,666.67, and \$30,000, respectively) out of the Gross Settlement Amount. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment of less than one-third of the Gross Settlement Amount or \$30,000, respectively, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions will not be taken from the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment and instead one or more Forms 1099 will be issued to Class Counsel as appropriate under applicable regulations with respect to those payments. The payment of Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment shall be made to Blumenthal Nordrehaug Bhowmik De Blouw LLP by the Settlement Administrator in accordance with this Agreement.
3. **The PAGA Payment.** The Parties will seek approval from the Court for a PAGA Payment of \$30,000 out of the Gross Settlement Amount, which

shall be allocated 75% (\$22,500) to the California Labor and Workforce Development Agency (“LWDA”) as the LWDA’s share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$7,500) will be distributed to the Aggrieved Employees to be allocated based on the number of pay periods worked as an Aggrieved Employee during the PAGA Period. If the Court approves a PAGA Payment of less than \$30,000, the remainder will be retained in the California Settlement Amount for distribution to Participating Class Members. To the extent the Court directs that the PAGA payment be increased, any such amount shall be apportioned from the California Settlement Amount.

4. **To the Settlement Administrator.** The Settlement Administrator will pay out of the Gross Settlement Amount to itself its reasonable fees and expenses that are documented and approved by the Court in an amount not to exceed \$70,000 (“Settlement Administration Costs”). To the extent the Settlement Administration Costs that are documented and approved by the Court are less than \$70,000 the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. The Settlement Administration Costs shall not exceed the estimate of the Settlement Administrator to administrate the settlement of the class.

D. **Payments From the Net Settlement Amount.** The Net Settlement Amount shall include the following payments after the deductions have been made from the Gross Settlement Amount as described in the Agreement. The Net Settlement Amount shall include the following:

1. **Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay a Settlement Share from the Net Settlement Amount to each Participating Class Member. The submission of a claim form is not required to be paid.
2. **Calculation for FCRA Class.** From the FCRA Settlement Amount, the Settlement Share for each Participating Class Member in the FCRA Class will be calculated by dividing the FCRA Settlement Amount on an equal per capita basis to each Participating Class Member in the FCRA Class.
3. **Calculation for California Class.** From the California Settlement Amount, the Settlement Share for each Participating Class Member in the California Class will be calculated by (a) dividing this amount by the total number of workweeks worked by all Participating Class Members in the California Class during the Class Period to determine a dollar amount per workweek (“Workweek Payment”), and (b) multiplying the total number of workweeks worked by each Participating Class Member in the California Class during the Class Period by the Workweek Payment.
4. **Taxation.**

- a. One hundred percent of each Participating Class Member's Settlement Share from the FCRA Class is in settlement of claims for alleged penalties/statutory damages under FCRA and not in compromise for any alleged wage loss. Accordingly, the amount shall not be subject to wage withholdings, and shall be reported on IRS Form 1099 as appropriate under applicable regulations.
 - b. Participating FCRA Class Members shall be responsible for paying any taxes owing on their Settlement Shares. This Agreement does not constitute tax advice to any recipient of monies. Defendant shall not be held responsible for individual tax liability, if any, found to exist on behalf of any Participating FCRA Class Member or any recipient of monies paid under this Agreement.
 - c. Fifteen Percent (15%) of each Participating California Class Member's Settlement Share shall be treated as wages (the "Wage Portion"). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on IRS Form W-2. The Wage Portion will be paid from the Net Settlement Amount.
 - d. Eighty-Five (85%) of each Participating California Class Member's Settlement Share shall be treated 50% as interest and 50% as penalties (the "Non-Wage Portion"). Accordingly, the Non-Wage Portion shall not be subject to wage withholdings, and shall be reported on IRS Form 1099. The Non-Wage Portion will be paid from the Net Settlement Amount.
5. **Effect of Non-Participating Class Members.** Non-Participating Class Members will receive no Settlement Share, and their election not to participate will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Class Members on an equal *pro rata* basis.
6. **Class Size Modification and Escalator Clause.** Defendant estimates that there are 689 California Class Members who collectively worked approximately 30,471 workweeks in California during the California Class Period and 11,169 FCRA Class Members for whom background checks were run during the FCRA Class Period. Defendant will provide a declaration under oath as to the number of workweeks and members in the respective classes prior to the filing of the motion for preliminary approval. If it is determined that the total number of workweeks of the California Class Members through the date of preliminary approval or January 29, 2021 (whichever is earlier) exceeds 30,474 by more than ten percent (10%) (i.e. 33,518), then Defendant shall have the option of: (a) increasing the California Settlement Amount on a proportional basis by the same number

of percentage points above ten percent (10%) by which the number workweeks exceeds 30,471 (for example, if the total workweeks exceed 30,471 by 15%, the California Settlement Amount shall be increased by 5%), or (b) altering the effective date of the release of claims applicable to the California Class Members as set forth below to the date when the workweeks exceed 30,471 by more than 10% (for example, if the number of workweeks exceeds 33,518 on November 2, 2020, then any claims accruing after that date shall not be released). If the number of FCRA Class Members exceeds 11,169 by more than 10% (*i.e.*, 12,286), then the FCRA Settlement Amount will be increased on a proportional basis by the same number of percentage points above ten percent (10%) by which the number of actual FCRA Class Members exceeds 11,169 (for example, if the total FCRA Class Members exceed 11,169 by 15%, the FCRA Settlement Amount shall be increased by 5%). In the event this Escalator Clause provision would result in a total Gross Settlement Amount exceeding \$3,000,000, Defendant shall have the option (but not the requirement) to terminate and/or attempt to renegotiate the settlement.

- E. **Appointment of Settlement Administrator.** The Parties will ask the Court to appoint the mutually agreed upon Settlement Administrator selected by them, KCC, LLC, as the qualified administrator, to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update addresses prior to mailing; performing a reasonable address search for any Class Notice Packet returned by the U.S. Postal Service as non-deliverable, and re-mailing the Class Notice Packet to the Class Member's new address; setting up a toll-free telephone number to receive calls from Class Members; receiving and reviewing for validity completed Elections Not to Participate in Settlement; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of completed Elections Not to Participate in Settlement; calculating Settlement Shares; issuing the checks and accompanying notices to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. Subject to consultation with Class Counsel and Defendant's Counsel, the Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share, subject to the dollar limitations and calculations set forth in this Agreement. The Settlement Administration Costs, including the cost of printing and mailing the Class Notice Packet, will be paid out of the Gross Settlement Amount.

The Settlement Administrator shall have its own Employer Identification Number under Internal Revenue Service Form W-9 and shall use its own Employer Identification Number and shall transmit the required employers' and employees' share of the withholdings to the appropriate state and federal tax authorities. The

Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1 and section 468B of the Internal Revenue Code of 1986, as amended (the “Code”). The Settlement Administrator shall be treated as an "administrator" as defined at Treasury Regulation section 1.468B-2(k) for purposes of federal and state income tax reporting with respect to the distributions from the Net Settlement Amount. Accordingly, Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Code and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this section may be modified in a manner to comply with any such changes.

F. Procedure for Approving Settlement.

1. Motion for Preliminary Approval of Settlement by the Court.

- a. Plaintiffs will file a Preliminary Approval Motion with the Court for an order granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice (the “Motion for Preliminary Approval”). Any disagreement among the Parties concerning the Class Notice to be distributed to each Participating Class Member, the Proposed Orders or other documents necessary to implement the Settlement will be referred to the mediator for resolution as part of the motion.
- b. At the hearing on the Motion for Preliminary Approval, the Parties will jointly appear and support the granting of the motion, provided that no disputes have arisen as to the Motion for Preliminary Approval and further provided that nothing herein shall require Defendant to affirmatively support the amount of the Class Counsel Fees Payment or Class Representative Service Payments sought by Plaintiffs. Class Counsel will submit a Proposed Preliminary Approval Order substantially in the form evidenced by Exhibit B to this Agreement and incorporated by reference into this Agreement.
- c. Should the Court decline to preliminarily approve material aspects of the Settlement (including but not limited to the scope of release for Participating Class Members and/or for Plaintiffs, or the binding effect of the Settlement on Participating Class Members), the Settlement will not be void and the Parties will submit the issues to the mediator for resolution, if necessary. The Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court’s approval.

2. **Notice to Class Members.** After the Court enters its order granting Preliminary Approval of the Settlement, every Class Member will be

provided with the Class Notice Packet, which will include the Class Notice completed to reflect the order granting Preliminary Approval of the Settlement and showing the Class Member's Class Data as follows:

- a. No later than fourteen (14) calendar days after the Court enters its order granting Preliminary Approval of the Settlement, Defendant will provide to the Settlement Administrator an electronic database with each Class Member's Class Data. If any or all of the Class Data is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Data prior to when it must be submitted to the Settlement Administrator. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, in order to carry out the reasonable efforts described in section III.E.2.c., or pursuant to Defendant's express written authorization or by order of the Court. All Class Data will be used for settlement notification and settlement administration and shall not be used for any other purpose by Class Counsel.
- b. The Settlement Administrator shall update the Class Data using the National Change of Address database prior to mailing the Class Notice Packets. Using best efforts to mail it as soon as possible, and in no event later than 14 days after receiving the Class Data, the Settlement Administrator will mail the Class Notice Packets to all Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.
- c. If a Class Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than ten (10) days from receipt of the returned packet, search for a more current address for the Class Member and re-mail the Class Notice Packet to the Class Member. The Settlement Administrator will use the Class Data and otherwise work with Defendant to find that more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address using available email addresses, phone numbers, social security numbers, credit reports, LinkedIn,

and Facebook; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendant's Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties.

- d. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient Forms) and the number of objections it receives (including objections to Settlement and/or objections to Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment).
- e. Not later than 10 days before the date by which the Plaintiffs file their motion for final approval of the Settlement, the Settlement Administrator will provide the Parties for filing with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement and detailing the Elections Not to Participate in Settlement that it has received (including the numbers of valid and deficient Forms) and detailing any objections that it has received (including objections to Settlement and/or objections to Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment). Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. **Objections to Settlement; Disputes as to Workweeks allocated to Class Members; Elections Not to Participate in Settlement.** Participating Class Members may submit objections to the Settlement and objections to Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Class Members may also submit Elections Not to Participate in Settlement pursuant to the following procedures:

- a. **Objections to Settlement.** The Class Notice will provide that only Participating Class Members who wish to object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments may object to the proposed Settlement, either in writing or orally at the Final Approval Hearing. Objections in writing must be submitted to the Settlement Administrator with copies to Class Counsel and Defendant's Counsel, postmarked not later than forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets. Written objections must set forth the grounds for

the objection(s) and comply with the instructions in the Class Notice. Alternatively, Class Members shall be entitled to be heard at the Final Approval Hearing (whether individually or through separate counsel) to orally object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments. A Participating Class Member who does not submit an objection in the manner and by the deadline specified above and in the Class Notice will be deemed to have waived any objection and will be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Non-Participating Class Members shall have no ability to comment on or object to the Settlement.

- b. **Disputes as to Hours.** Each Class Member shall also have forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets in which to dispute the number of hours the Class Notice allocates to them during the Class Period. Any notice of dispute shall be directed to the Settlement Administrator. Any dispute as to this allocation shall be resolved by the Settlement Administrator, with input and assistance from Defendant's Counsel, where applicable.
- c. **Election Not to Participate in Settlement.** The Class Notice also will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator postmarked not later than forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets, a signed Election Not to Participate in Settlement. To be valid, an Election Not to Participate in Settlement must be timely and must comply with the instructions in the Class Notice. If a question is raised about the authenticity of a signed Election Not to Participate in Settlement, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Non-Participating Class Member will not participate in or be bound by the Settlement and the Judgment, except that an Aggrieved Employee will still be paid their allocation of the PAGA Payment and will remain bound by the release of the PAGA Released Claims regardless of their request for exclusion. Defendant will remain free to contest any claim brought by any Class Member that would have been barred by this Agreement, and nothing in this Agreement will constitute or be construed as a waiver of any defense Defendant has or could assert against such a claim. A Class Member who does not complete and mail a timely Election Not to Participate in Settlement in the manner and by the deadline specified above and in the Class

Notice will automatically become a Participating Class Member and will be bound by all terms and conditions of the Settlement, including the Released Class Claims by the Class, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement. Persons who submit an Election Not to Participate in Settlement shall not be permitted to file objections to the Settlement or appear at the Final Approval Hearing to voice any objections to the Settlement.

All Participating Class Members who do not submit a valid and timely Election Not to Participate in Settlement will receive a Settlement Share, without the need to file a claim form, and will be bound by all of the terms of the Settlement, including without limitation, the release of the Released Class Claims by the Participating Class Members set forth in this Agreement.

- d. **Report.** Not later than ten (10) calendar days after the deadline for submission of Elections Not to Participate in Settlement, the Settlement Administration will provide Class Counsel and Defendant's Counsel with a complete and accurate list of all Participating Class Members and all Non-Participating Class Members.

- 4. **Right of Defendant to Reject Settlement.** In the event more than 5% of the California Class Members timely submit valid Elections Not to Participate, Defendant shall have the option (but not requirement) to terminate and/or attempt to renegotiate this agreement as to the California Class Members and California Settlement Amount. In the event more than 5% of the FCRA Class Members timely submit valid Elections Not to Participate, Defendant shall have the option (but not requirement) to terminate and/or attempt to renegotiate this agreement as to the FCRA Class Members and FCRA Settlement Amount. Defendant shall exercise its revocation rights as set forth in the preceding sentence, if at all, within fourteen (14) days of the deadline for submission of Elections Not to Participate in Settlement by providing written notice to Class Counsel. If Defendant exercises its revocation rights, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Agreement, except that Defendant will pay the Settlement Administration Expenses incurred as of the date that Defendant exercises the right to void the Settlement pursuant to this paragraph.
- 5. **No Solicitation of Objection or Election Not to Participate.** The Parties and their respective counsel represent that neither the Parties nor their respective counsel have or will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, appeal from the

Judgment, or elect not to participate in the Settlement.

6. Additional Briefing and Final Approval.

- a. Unless otherwise ordered by the Court, Class Counsel will file with the Court their motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment no later than the date Plaintiffs file the Motion for Final Approval, and the application will be scheduled to be heard by the Court at the Final Approval Hearing.
- b. Not later than sixteen (16) court days before the Final Approval Hearing, the Plaintiffs will file with the Court a motion for final approval of the Settlement, the PAGA Payment, and payment of the Settlement Administration Costs.
- c. If any opposition is filed to the motion for final approval and/or the motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the PAGA Payment, then not later than five (5) court days before the Final Approval Hearing, both Parties may file a reply in support of the motion for final approval, and Plaintiffs and Class Counsel may also file a reply in support of their motion for the Class Representative Service Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment.
- d. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), then the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the PAGA Payment, Class Representative Service Payment, the Class Counsel Fees Payment, or the Class Counsel Litigation Expenses Payment, will not constitute a material modification to the Settlement within the meaning of this paragraph.
- e. Upon final approval of the Settlement by the Court at or after the Final Approval Hearing, the Parties will present for the Court's approval and entry the Judgment substantially in the form attached hereto as Exhibit C. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as may be appropriate under court rules or applicable law.

7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, Plaintiffs and Participating Class Members who did not timely submit an objection to the Settlement, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, and any extraordinary writ. The Judgment therefore will become nonappealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment becomes Final..
8. **Modifying, Vacating, or Altering Settlement.** Should the Settlement, or any terms therein, be modified, vacated, altered, or become otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Settlement Agreement, so that this Settlement is not approved by the Court in its entirety and therefore the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke the Settlement Agreement at their sole discretion. A vacation or modification of the Court's award of the Class Representative Service Payments or the Class Counsel Fees Payment or Litigation Expenses Payment will not constitute a vacation or material modification of the Judgment within the meaning of this paragraph, provided that Defendant's obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.
9. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, writ or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement (including, but not limited to, the scope of release for Participating Class Members and/or Plaintiffs, or the binding effect of the Settlement on Participating Class Members), and that Court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher Court, then either Plaintiffs or Defendant will have the right to void the Settlement, which the Party must do by giving written notice to the other Parties, the reviewing Court, and the Court not later than fourteen (14) days after the reviewing Court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Class Representative Service Payments or the Class Counsel Fees Payment or Litigation Expenses Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this

paragraph, provided that Defendant's obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.

10. **Funding of Settlement, Timing of Provision of Settlement Shares and Other Payments.** Defendant will fund the Gross Settlement Amount by depositing the sum into an escrow account to be established by the Settlement Administrator as approved by the Court, which funds shall be held in trust for the Settlement and created as a Qualified Settlement Fund as specified under Section III.D of this Agreement. Defendant shall fund the Gross Settlement Amount within fifteen (15) days of the Effective Date. Within fifteen (15) days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall pay all Settlement Shares to Participating Class Members, as well as payment of Settlement Administration Expenses, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payment and the PAGA Payment in accordance with this Agreement. Within fifteen (15) days after the Effective Date, Defendant shall separately pay its share of employer payroll taxes as calculated and directed by the Settlement Administrator.
11. **Uncashed Settlement Share Checks.** A Participating Class Member must cash his or her Settlement Share check within 180 days after it is mailed to him or her. If a check is returned to the Settlement Administrator or not cashed within 120 days after the last mailing, the Settlement Administrator will make all reasonable efforts to re-mail it to the affected Participating Class Member at his or her correct address by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook. If a Participating Class Member's Settlement Share check is not cashed within 120 days after its last mailing to the Participating Class Member, the Settlement Administrator will also send the affected Participating Class Member a notice informing him or her that unless the check is cashed in the next 60 days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If the check of a FCRA Class Member remains uncashed by the expiration of the 60 day period after this notice, the funds from such uncashed checks for the FCRA Class will be paid to the National Consumer Law Center, a non-profit organization involved in FCRA advocacy. If the check of a California Class Member remains uncashed by the expiration of the 60 day period after this notice, the funds from such uncashed checks will be paid *cy pres* consistent with Legal Aid at Work, subject to Court approval and the Participating Class Member remain bound by the Settlement. The attorneys signing this Agreement hereby notify the Court that they and their respective firms have no relationship with or connection to the Cy Pres recipients that could create an appearance of impropriety.

12. **Final Report by Settlement Administrator to Court.** Within ten days after final disbursement of all funds from the Gross Settlement Amount, the Settlement Administrator will serve on the Parties and file with the Court a declaration providing a final report on the disbursements of all funds from the Gross Settlement Amount.

G. Release of Claims.

1. **Participating Class Members.** Upon the Effective Date, the Defendant shall be entitled to (i) a release from the Participating Class Members who are also FCRA Class Members of all FCRA claims alleged in the operative complaint which occurred through the date of preliminary approval or January 29, 2021 (whichever is earlier), and also including any similar claims that were or could have been brought under state law arising out of the allegations in the operative complaint, including the Investigative Consumer Reporting Agencies Act and Consumer Credit Reporting Agencies Act; and, (ii) a release from the Participating Class Members who are also California Class Members of all claims that were or could have been alleged under federal, state, or local law arising out of the allegations in the operative complaint, including all causes of action alleged in the operative complaint or any other claims arising out of the allegations in the operative complaint as to the federal, state, or local wage & hour laws alleged in the operative complaint, which occurred through the date of preliminary approval or January 29, 2021 (whichever is earlier); and, expressly excluding all other claims, including claims for wrongful termination, unemployment insurance, disability, social security, and workers' compensation, and claims outside of the applicable FCRA Class Period and/or California Class Period.
2. **Aggrieved Employees.** Upon entry of an order and judgment approving the Agreement, (i) Plaintiffs, individually, and in their capacity as a private attorney generals for, and proxies or agents of, the California LWDA, and (ii) the LWDA, as the real party in interest, will irrevocably release, acquit, and forever discharge Defendant of all claims for civil penalties asserted or which could have been asserted under California Labor Code § 2699, based on the facts and claims alleged in the operative complaints filed in the Action, which have accrued during the PAGA Period and will accrue through preliminary approval or January 29, 2021 (whichever is earlier) with respect to the Aggrieved Employees, and, expressly excluding all other claims, including claims for wrongful termination, unemployment insurance, disability, social security, and workers' compensation, and claims outside of the applicable PAGA Period ("PAGA Released Claims").
3. **Plaintiffs.** Upon the Effective Date, Plaintiffs generally release and discharge the Released Parties from any and all claims, transactions or occurrences between them that occurred during the Class Period, including

a waiver of unknown claims pursuant to California Civil Code Section 1542 (“Plaintiffs’ Released Claims”) This release of Plaintiffs’ Released Claims releases the Released Parties from any claim that Plaintiffs could maintain in any action against any Released Party that occurred during the Class Period. Notwithstanding the foregoing, this waiver and release of claims does not extend to any rights which as a matter of law cannot be waived and released by private agreement, including rights to sue to enforce this Agreement and rights to vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits, claims outside the Class Period.

Plaintiffs acknowledge that they may discover facts or law different from, or in addition to the facts or law that they know or believe to be true with respect to the claims and matters released by way of this Agreement and agrees, nonetheless, that this Agreement and the releases contained in it shall be and remain effective in all respects, notwithstanding such different or additional facts or the discovery of them. The Parties declare and represent that they intend this Agreement to be complete and not subject to any claim of mistake, and that the releases herein express full and complete releases, and that they intend that the releases herein shall be final and complete.

4. **Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542.** As partial consideration for the Class Representative Service Payment, Plaintiffs’ Released Claims shall include all such claims, whether known or unknown by the releasing party. Thus, even if Plaintiffs discover facts and/or claims in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiffs’ Released Claims, those claims will remain released and forever barred. Therefore, with respect to Plaintiffs’ Released Claims, Plaintiffs expressly waive and relinquish all of the provisions and all of their rights and benefits under the provisions of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her would have materially affected his or her settlement with the debtor or released party

5. **Class Counsel.** Upon the Effective Date and except as otherwise provided by this Agreement, Class Counsel and any counsel associated with Class Counsel waive any claim to costs and attorneys’ fees and expenses against Defendant arising from or related to the Action.

- H. **No Effect on Other Benefits.** It is expressly understood and agreed that payments made under this Agreement shall not entitle any Class Member (including Plaintiffs) to additional compensation or benefits in any manner beyond that

expressly provided for in this Agreement. For example, the payments made pursuant to this Agreement will not entitle any Class Member to any increased retirement, 401(k) or matching benefits, deferred compensation, bonus, or other compensation or benefits of any type or form (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

- I. **Limitation on Public Statements About Settlement.** The Parties and their counsel agree not to issue or cause to be issued any press releases, public statements, advertisements, or otherwise publicize this settlement. Rather the Parties and their counsel agree to limit public comment on this settlement, the case, and the claims to stating that the matter has been resolved to the satisfaction of both Parties, except as necessary to give notice to Class Members and as shall be contractually required to effectuate the terms of the Settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other Actions, Class Counsel may disclose the name of the Parties in these Actions and the venues/case numbers of these Actions (but not any other settlement details) for such purposes. This provision shall not restrict Class Counsel from responding to inquiries posed by Class Members nor shall this provision prohibit Class Counsel from posting court-filed documents on their website for viewing by Class Members.

J. **Miscellaneous Terms.**

1. **No Admission of Liability or Class Certification for Other Purposes.**

- a. Defendant denies that Defendant has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. Defendant specifically denies any liability to Plaintiffs or to any Class Member upon any claim or cause of action asserted in this Action. Neither this Agreement nor the Memorandum of Understanding constitutes, and is intended to constitute, an admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made in this Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement or the Memorandum of Understanding is intended or will be construed as an (1) admission of liability or wrongdoing by Defendant, (2) an admission by Plaintiffs that any of the claims was non-meritorious or any defense asserted by Defendant were meritorious; or (3) as an admission by Plaintiffs for any purpose whatsoever. This Settlement and the fact that Plaintiffs and Defendant were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).

The Parties have entered into this settlement with the intention of avoiding further disputes and litigation with the attendant inconvenience, expenses and risks. Nothing in this Agreement shall be construed as an admission by Plaintiffs that Plaintiffs' claims do not have merit or that class action is inappropriate.

- b. Whether or not the Judgment becomes Final, neither the Settlement, this Agreement, the negotiation and execution of the Agreement, any document, statement, proceeding, act or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any of the other Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendant or any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against Defendant or any of the Released Parties, in any further proceeding in the Action, or in any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement.
- c. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings solely to enforce any or all terms of this Agreement or in defense of any claims released or barred by this Agreement.

- 2. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- 3. **Attorney Authorization.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiffs and that they will seek authorization from Defendant to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and will seek authorization to execute any other documents required to effectuate the terms of this Agreement including any amendments to this Agreement, if necessary. 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 agreement on the terms and conditions of this Agreement or on the

form or content of any exhibits or documents to be drafted pursuant to the Agreement, the Parties will seek the assistance of the mediator for resolution.

4. **No Prior Assignments:** The Parties represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged in this Settlement.
5. **No Tax Advice:** Neither Class Counsel nor Defendant's Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
6. **Modification of Agreement.** Except as set forth in III.J.3 hereinabove this Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties and their representatives.
7. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
8. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the substantive laws of the State of California.
9. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
10. **Continuing Cooperation.** The Parties, to the greatest extent possible, are obligated to work together jointly to effectuate the settlement, and each term therein. Unless otherwise agreed by the Parties, this joint obligation includes, but is not limited to, fully documenting the settlement, expeditiously completing or filing any other required documents or pleadings, arguing that the terms and conditions agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc.
11. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through

arms-length negotiations, taking into account all relevant factors, current and potential.

12. **Use and Return of Documents and Data.** All originals, copies, and summaries of documents and data provided to Class Counsel by Defendant in connection with the mediation or other settlement negotiations in this matter may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule. Within thirty days after the Judgment becomes Final, Class Counsel will return or destroy and confirm in writing to Defendant the destruction of all such documents and data.
13. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
14. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

To Plaintiffs and the Class:

Norman B. Blumenthal
Kyle R. Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232
E-Mail: norm@bamlawca.com
kyle@bamlawca.com

To Defendant:

Kevin Harlow
DLA PIPER LLC
401 B. Street, Suite 1700
San Diego, CA 92101
Tel: (619) 699-2700
Fax: (619) 699-2701
Email: kevin.harlow@dlapiper.com

Isabel Crosby
Breegan O' Connor
DLA PIPER LLC
1900 North Pearl Street, Suite 2200

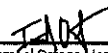
Dallas, TX 75201
Tel: (214) 743-4535
Fax: (214) 743-4545
Email: isabel.crosby@dlapiper.com
breegan.oconnor@dlapiper.com

15. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, email or electronically which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
16. **Stay of Litigation.** The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.
17. **Disputes.** Any dispute between the Parties as to the remaining terms of the Agreement shall be presented to the mediator, David A. Rotman, for resolution.
18. **Court Filings.** The Parties agree not to object to any Court filings consistent with this Agreement.
19. **Continuing Jurisdiction.** The Parties agree that the Court shall retain continuing jurisdiction over this Action under Code of Civil Procedure § 664.6 or Federal Rules of Civil Procedure § 41(a) to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial shall be extended from the date of the signing of this Agreement by all Parties until the entry of the final approval order and judgment or if not entered the date this Agreement shall no longer be of any force or effect.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 01/11 2020 ISMAEL ORTEGA



Ismael Ortega (Jan 11, 2021 12:43 PST)

Dated: 01/11/ 2020

KRISINDA WOLFE


Krisinda Wolfe (Jan 11, 2021 12:24 PST)

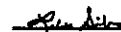
Dated: 01/12 2020

DORIS WILLIAMS-JENKINS



Dated: 01/12 2020

LILIA SILVA


Lilia Silva (Jan 12, 2021 20:48 PST)

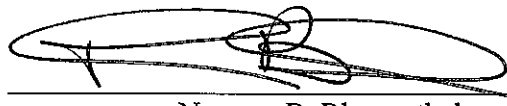
Dated: 2020

LOYAL SOURCE GOVERNMENT SERVICES, LLC

By: _____

Dated: 1/13 2019

BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP

By: 
Norman B. Blumenthal
Attorneys for Plaintiffs

Dated: 2020

DLA PIPER, LLP (US)

By: _____
Kevin Harlow
Isabel Crosby
Breegan O'Connor
Attorneys for Defendant

Dated: _____ 2020

KRISINDA WOLFE

Dated: _____ 2020

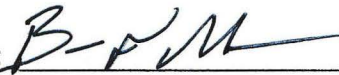
DORIS WILLIAMS-JENKINS

Dated: _____ 2020

LILIA SILVA

Dated: 1-25-21 2020

LOYAL SOURCE GOVERNMENT SERVICES, LLC

By: 

Dated: _____ 2019

BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP

By: _____
Norman B. Blumenthal
Attorneys for Plaintiffs

Dated: 1/26/21 2020

DLA PIPER, LLP (US)

By: 
Kevin Harlow
Isabel Crosby
Breegan O'Connor
Attorneys for Defendant

EXHIBIT A

[NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE FOR
FINAL COURT APPROVAL]

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
AND HEARING DATE FOR FINAL COURT APPROVAL**

**(Ortega v. Loyal Source Government Services, United States District Court,
Southern District of California Case No. 3:20-cv-01173)**

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT
ACT. PLEASE READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<__>>. See the explanation in Section 5 below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the settlement payment, you will release claims against the Defendant as detailed in Section 4 below. If your address has changed, you must notify the Settlement Administrator as explained in Section 6 below.
Exclude Yourself	To exclude yourself, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement and you will not be a class member. Instructions are set forth in Section 7 below.
Object	Write to the Court about why you do not agree with the settlement or appear at the Final Approval Hearing to make an oral objection. Directions are provided in Section 8 below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned action pending in the United States District Court for the Southern District of California (the “Court”) has been reached between Plaintiffs Ismael Ortega, Krisinda Wolfe, Doris Williams-Jenkins and Lilia Silva (“Plaintiffs”) and Defendant Loyal Source Government Services, LLC (“Defendant”) and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Class Notice because you have been identified as a member of the California Class and/or the FCRA Class, which are defined as:

The **California Class** is defined as: “all individuals who worked for Defendant in California as non-exempt employees during the California Class Period.” The “California Class Period” is February 14, 2016 to September 29, 2020.

The **FCRA Class** is defined as: “all employees or prospective employees of Defendant in the United States for whom Defendant procured a background check

during the FCRA Class Period.” The “FCRA Class Period” is February 14, 2018 to September 29, 2020.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Class Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On February 14, 2020, plaintiff Ismael Ortega filed a class action Complaint against Defendant in the Superior Court of the State of California, County of San Diego (the “Class Action”) alleging the following claims against Defendant: unfair competition, failure to pay overtime wages, failure to pay minimum wages, failure to provide required meal periods, failure to provide required rest periods, failure to reimburse business expenses; failure to provide accurate itemized wage statements, and failure to pay wages when due at termination. On May 11, 2020, Defendant filed a general denial along with 32 affirmative defenses to the complaint in the Class Action in state court and filed a notice to remove the Class Action to federal court. On May 26, 2020, plaintiff Ismael Ortega filed a Complaint for recovery of civil penalties under the Private Attorneys General Act, Cal. Labor Code §§ 2689 et seq. (“PAGA”) against Defendant (“PAGA Action”) in the Superior Court of the State of California, County of San Diego.

The Class Action and PAGA Action were subsequently removed to federal court and assigned as Case No. 3:20-cv-01173 and Case No. 3:20-cv-00879, respectively. On July 31, 2020, Honorable Larry A. Burns ordered that the Class Action and the PAGA Action be consolidated under Case No. 3:20-cv-00879.

On September 4, 2020, plaintiffs Ismael Ortega, Krisinda Wolfe, Doris Williams-Jenkins and Lilia Silva filed a First Amended Complaint (“FAC”) against Defendant to the United States District Court, Southern District of California. Plaintiffs collectively asserted the same causes of action brought by Plaintiff Ismael Ortega in his initial complaint and added four additional causes of action for violation of the Fair Credit Reporting Act (FCRA) for failure to make proper disclosures (15 U.S.C. § 1681, et seq.); violation of the Fair Credit Reporting Act for failure to obtain proper authorization (15 U.S.C. § 1681, et seq.); violation of the Investigative Consumer Reporting Agencies Act for Failure to Make Proper Disclosures (California Civil Code § 1786, et seq.); and, violation of the Consumer Credit Reporting Agencies Act for Failure to Obtain Proper Consumer Reporting Agencies Act for Failure to Make Proper Disclosures (California Civil Code § 1786, et seq.).

Defendant denies and disputes all such claims. Specifically, Defendant contend that Plaintiffs and the Class Members were properly compensated for wages under California law; that Plaintiffs and the Class Members were provided with meal and rest periods in compliance with California law; that Defendant did not fail to provide required expense reimbursement; that Defendant did not fail to pay to Plaintiffs or any Class Members any wages allegedly due at the time of their termination; that Defendant complied with California wage statement requirements; that Defendant are not liable for any of the penalties claimed or that could be claimed in the Action; that Defendant’s disclosures complied with California and Federal laws; and that this Action cannot be maintained as a class action.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firm Blumenthal Nordrehaug Bhowmik De Blouw LLP to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of is Two Million Seven Hundred and Fifty Thousand Dollars (\$2,750,000) (the “Gross Settlement Amount”) to fund the settlement of this Action. The Gross Settlement Amount includes all payments of Settlement Shares to Class Members contemplated by the Settlement, the Settlement Administration Expenses, the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, payments to Aggrieved Employees and the payment to the Labor and Workforce Development Agency (“LWDA”). Any employer-side payroll taxes on the portion of the Settlement Shares allocated to wages shall be separately paid by Defendant. The entirety of the Gross Settlement Amount will be disbursed. No amount of the Gross Settlement Amount will revert to Defendant for any reason.

Defendant shall fund the Gross Settlement Amount within fifteen (15) days of the Effective Date. The Effective Date is the date the Judgment is final and is no longer subject to appeal. Within fifteen (15) days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall pay all Settlement Shares to Participating Class Members and all other payments under this Settlement.

Amounts to be Paid From the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount as follows, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before Settlement Shares are made to Class Members who do not request exclusion (“Participating Class Members”):

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$70,000, for expenses, including without limitation expenses of notifying the Class Members of the Settlement, processing opt outs, and distributing Settlement Shares and tax forms, and handling inquiries and uncashed checks.
- Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Payment to Class Counsel of reasonable attorneys’ fees not to exceed one-third (1/3) of the Gross Settlement Amount, which is presently \$916,888.67 and an additional amount to reimburse actual litigation costs incurred by the Plaintiffs not to exceed \$30,000. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.
- Class Representative Service Payments. Class Representative Service Payments in an amount not to exceed Ten Thousand Dollars (\$10,000.00) each to the four Plaintiffs, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook.

- **PAGA Payment.** A payment of \$30,000 relating to the claim for penalties under PAGA, \$22,500 of which will be paid to the LWDA. The remaining \$7,500 will be distributed to the Aggrieved Employees to be allocated based on the number of pay periods worked as an Aggrieved Employee during the PAGA Period. Aggrieved Employees are all individuals who worked for Defendant in California as non-exempt employees at any time during the PAGA Period. The PAGA Period is February 14, 2019 to September 29, 2020.

Calculation of Payments to Class Members. After all of the payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the PAGA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, the “Net Settlement Amount” shall be distributed as Settlement Shares to the Participating Class Members, which are all Class Members who do not opt out. The Net Settlement Amount is estimated to be at least \$1,663,333.33. The Net Settlement Amount shall be divided 41% to the FCRA Class Members (the “FCRA Settlement Amount”) and 59% to the California Class Members and Aggrieved Employees (the “California Settlement Amount”). The Settlement Share for each Participating Class Member will be calculated as follows:

FCRA Settlement Amount: From the FCRA Settlement Amount, the Settlement Share for each Participating Class Member in the FCRA Class will be calculated by dividing the FCRA Settlement Amount on an equal per capita basis to each Participating Class Member in the FCRA Class.

California Class Settlement Amount: From the California Settlement Amount, the Settlement Share for each Participating Class Member in the California Class will be calculated by (a) dividing this amount by the total number of workweeks worked by all Participating Class Members in the California Class during the Class Period to determine a dollar amount per workweek (“Workweek Payment”), and (b) multiplying the total number of workweeks worked by each Participating Class Member in the California Class during the Class Period by the Workweek Payment. Defendant’s payroll records shall control, but Class Members will have the right to challenge the number of weeks worked during the Class Period.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. One hundred percent of each Participating Class Member’s Settlement Share from the FCRA Class is in settlement of claims for alleged penalties/statutory damages under FCRA and not in compromise for any alleged wage loss. Accordingly, the amount shall not be subject to wage withholdings, and shall be reported on IRS Form 1099. Fifteen percent (15%) of each Participating California Class Member’s Settlement Share is in settlement of wage claims (the “Wage Portion”). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on IRS Form W-2. Eighty-Five (85%) of each Participating California Class Member’s Settlement Share shall be treated 50% as interest and 50% as penalties (the “Non-Wage Portion”). The Non-Wage Portion shall not be subject to wage withholdings, and shall be reported on IRS Form 1099. The employee portion of all applicable income and payroll taxes

will be the responsibility of the Participating Class Members. Neither Class Counsel nor Defendant's Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. As of the date the Judgment becomes Final, Defendant and the Released Parties shall be entitled to (i) a release from the Participating Class Members who are also FCRA Class Members of all FCRA claims alleged in the operative complaint which occurred through January 29, 2021 (whichever is earlier), and also including any similar claims that were or could have been brought under state law arising out of the allegations in the operative complaint, including the Investigative Consumer Reporting Agencies Act and Consumer Credit Reporting Agencies Act; and, (ii) a release from the Participating Class Members who are also California Class Members of all claims that were or could have been alleged under federal, state, or local law arising out of the allegations in the operative complaint, including all causes of action alleged in the operative complaint or any other claims arising out of the allegations in the operative complaint as to the federal, state, or local wage & hour laws alleged in the operative complaint, which occurred through January 29, 2021 (whichever is earlier); and, expressly excluding all other claims, including claims for wrongful termination, unemployment insurance, disability, social security, and workers' compensation, and claims outside of the applicable FCRA Class Period and/or California Class Period

This means that, if you do not timely exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant and any other Released Party about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

[Defendants' records reflect that you have <<____>> weeks worked during the Class Period (June 15, 2017 to December 1, 2020). Based on this information, your estimated Settlement Share as a California Class Member is <<____>>.]

[Your estimated Settlement Share as a FCRA Class Member is <<____>>.]

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Class Notice no later than _____ [forty-five (45) days after the mailing of the Class Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your Settlement Share will be mailed automatically to the same address as this Class Notice. If your address is

incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____ (800) _____.

The Court will hold a Final Approval Hearing on _____ at _____ to decide whether to approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, the first payment will be mailed approximately two months after this hearing. If there are objections or appeals, resolving them can take time, usually more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, which means you will retain your right to sue the Defendant as to the issues resolved by this Settlement.**

To opt out, you must mail to the Settlement Administrator, by First Class Mail, a written, signed and dated request to opt-out postmarked no later than _____ [forty-five (45) days after the date of the Notice]. The request to opt-out must be received by the Settlement Administrator and must state in substance: "I wish to be excluded from the Class in the *Ortega v. Loyal Source Government Services* lawsuit. I understand that if I ask to be excluded from the Class, I will not receive a settlement share from the settlement of this Action." The request to opt-out must state the Class Member's full name, address, telephone number, the last four digits of their social security number for verification purposes, the approximate dates of employment in California by Defendant, and the name and number of the case, which is *Ortega v. Loyal Source Government Services*, U.S.D.C. Case No. 3:20-cv-00879. The request to opt-out must be completed by you. No other person may opt-out for a living member of the Class.

The address for the Settlement Administrator is _____. Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I don't agree with the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the attorneys' fees, the costs and/or the service awards, either in writing or in person. Objections that are in writing and must state the Class Member's name, current address, telephone number, and the dates of employment in California by Defendant, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is *Ortega v. Loyal Source Government Services*, in the United States District Court, Southern District of California, Case No. 3:20-cv-00879.

All written objections must be mailed to the Settlement Administrator at _____ with copies to the Parties' counsel, no later than _____ [forty-five (45) days after the date of the Notice].

Alternatively, Class Members may appear at the Final Approval Hearing on _____ at _____ to make an oral objection without submitting a written objection. At this time, all hearings will be held remotely video conference proceedings. If you need assistance with an appearance, you may contact Class Counsel. Please check the Court's website for current information concerning appearances and how to view Court proceedings:

<https://www.casd.uscourts.gov/covid19.aspx>

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object and you will still be mailed your Settlement Share. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

The addresses for Parties' counsel are as follows:

Class Counsel:

Norman Blumenthal
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel: 858-551-1223 / Fax: 858-551-1232
Email: kyle@bamlawca.com
Website: www.bamlawca.com

Counsel for Defendant:

Kevin Harlow
DLA PIPER LLC
401 B. Street, Suite 1700
San Diego, CA 92101

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at _____ on _____, in Courtroom 14A of the United States Courthouse located at 333 West Broadway, San Diego, CA 92101, before District Judge Larry Burns. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to *Ortega v. Loyal Source Government Services* Settlement Administrator, c/o _____; or contact Class Counsel at 1-858-551-1223.

This Class Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment or other Settlement documents by going to Class Counsel's website at www.bamlawca.com under "Class Notices" for *Ortega v. Loyal Source Government Services*. You may also get more details by examining the Court's file using PACER at <https://www.casd.uscourts.gov/> and entering the Case No. 3:20-cv-00879, or by going to the Clerk's Office located at 333 West Broadway, Suite 420, San Diego, CA 92101, between 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT CALL THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator will pay the funds from such uncashed checks for the FCRA Class to the National Consumer Law Center, a non-profit organization involved in FCRA advocacy, and will pay the funds from such uncashed checks for the California Class to Legal Aid at Work, and the Participating Class Member shall remain bound by the Settlement. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

[PRELIMINARY APPROVAL ORDER]

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

ISMAEL ORTEGA, KRISINDA
WOLFE, DORIS WILLIAMS-
JENKINS, and LILIA SILVA,
individuals, on behalf of themselves
and on behalf of all persons similarly
situated,

Plaintiffs,

v.

LOYAL SOURCE GOVERNMENT
SERVICES LLC, a limited liability
company; and DOES 1 through 50,
inclusive,

Defendant.

CASE NO. **3:20-cv-0879-LAB-NLS**

Assigned to: Hon. Larry A. Burns

[PROPOSED] ORDER:

- (1) GRANTING PRELIMINARY
APPROVAL OF SETTLEMENT;**
- (2) APPROVING CLASS NOTICE;**
- (3) APPOINTING SETTLEMENT
ADMINISTRATOR; AND**
- (4) SCHEDULING FINAL
APPROVAL HEARING**

1 On _____, a hearing was held on the motion of Plaintiffs Ismael
2 Ortega, Krisinda Wolfe, Doris Williams-Jenkins and Lilia Silva (“Plaintiffs”) for
3 preliminary approval of the parties’ proposed settlement (“Settlement”) with
4 Defendant Loyal Source Government Services, LLC (“Defendant”), approval of the
5 notice to be sent to the class about the settlement, and the setting of a date for the
6 hearing on final approval of the settlement.

7 The Court having read and considered the papers on the motion, the
8 arguments of counsel, and the law, and good cause appearing therefore,

9 **IT IS ORDERED:**

10 1. This Order incorporates the defined terms in the Class Action
11 Settlement Agreement (the “Agreement”) (Declaration of Kyle Nordrehaug, Exh.
12 ____). Pursuant to the terms of the Agreement, Plaintiff and Participating Class
13 Members will take only that which is stated in the Agreement as approved by the
14 Court.

15 2. Pursuant to the Class Action Fairness Act, 28 U.S.C. § 1711 *et seq.*
16 (“CAFA”), the Defendant caused the mailing of the CAFA Notice to the Attorney
17 General of the United States and the appropriate state official in each state in which
18 a Class Member reportedly resides at the time of CAFA Notice according to
19 Defendant’s records and as updated following a National Change of Address
20 search. Accordingly, the Court finds that Defendant has discharged its obligations
21 under CAFA to provide notice to the appropriate federal and state officials.

22 3. Pursuant to the Agreement, the Class is both the California Class and
23 the FCRA Class, as defined herein. The California Class is defined as all
24 individuals who worked for Defendant in California as non-exempt employees
25 during the California Class Period (the “California Class”). The “California Class
26 Period” is February 14, 2016 to September 29, 2020. The FCRA Class is defined
27 as all employees or prospective employees of Defendant in the United States for
28 whom Defendant procured a background check during the FCRA Class Period (the

1 “FCRA Class”). The “FCRA Class Period” is February 14, 2018 to September 29,
2 2020. The Court finds for settlement purposes only that this Class and these
3 subclasses satisfy the requirements of Fed. R. Civ. Proc. 23.

4 4. The parties’ Agreement is granted preliminary approval as it meets the
5 criteria for preliminary settlement approval. The Settlement falls within the range
6 of possible approval as fair, adequate and reasonable, and appears to be the product
7 of arm’s-length and informed negotiations and to treat all Class Members fairly.
8 Continued litigation would have been expensive for both sides. The Parties
9 acknowledge that litigating and trying this action may have resulted in delay of any
10 recovery, involved significant risk as to liability and certification, and led to
11 possible appeals. Class Counsel received the relevant information for the Class.
12 Plaintiffs have adequately demonstrated that the agreement to settle did not occur
13 until Class Counsel possessed sufficient information to evaluate the case and make
14 an informed decision about settlement.

15 5. The Parties’ proposed notice plan is constitutionally sound because
16 individual notices will be mailed to all Class Members whose identities are known
17 to the parties, and such notice is the best notice practicable. The Parties’ proposed
18 Notice of Pendency of Class Action Settlement and Hearing Date for Court
19 Approval (“Class Notice”), attached to the Agreement as Exhibit A, sufficiently
20 informs Class Members of the terms of the Settlement, their rights under the
21 Settlement, their rights to object to the Settlement, their right to receive a
22 Settlement Share or elect not to participate in the Settlement, and the processes for
23 doing so, and the date and location of the final approval hearing, and therefore is
24 approved.

25 6. Any Class Member who does not submit a valid request for exclusion
26 will be deemed a Participating Class Member and will be entitled to receive a
27 Settlement Share based upon the allocation formula in the Agreement.
28

1 7. Any Class Member who wishes to comment on or object to the
2 Settlement, the attorneys' fees and costs, and/or the proposed Class Representative
3 Service Payment, or who elects not to participate in the Settlement, has until 45
4 days after the mailing of the Class Notice to submit his or her written comment,
5 objection, or request for exclusion in Settlement pursuant to the procedures set forth
6 in the Class Notice. Class Counsel must file their application for the attorneys' fees
7 and costs no later than 14 days prior to the end of the objection period, and the
8 application will be heard at the Final Approval Hearing.

9 8. KCC, LLC is appointed to act as the Settlement Administrator,
10 pursuant to the terms set forth in the Settlement. Blumenthal Nordrehaug Bhowmik
11 De Blouw LLP is approved as Class Counsel and the Plaintiffs are approved as the
12 representatives of the Class.

13 9. Defendant is directed to provide the Settlement Administrator with the
14 Class Data for each Class Member as specified by the Agreement no later than
15 fourteen (14) days after the date of entry of this order. Pursuant to the terms set
16 forth in the Agreement, the Class Data, its contents and any files containing Class
17 Data shall remain confidential and will not be disclosed to anyone except as set
18 forth in the Agreement.

19 10. The Class Notice attached as Exhibit A to the Agreement is approved.
20 The Settlement Administrator is directed to mail the approved Class Notice by first-
21 class mail to the Class Members at their last known address no later than 14 days
22 after receipt of the Class Data.

23 11. A Final Approval Hearing will be held on _____, at
24 _____ in Courtroom 14A, to determine whether the Settlement should be granted
25 final approval as fair, reasonable, and adequate as to the Class Members. The Court
26 will hear all evidence and argument necessary to evaluate the Settlement and will
27 consider the request for approval of attorneys' fees and costs and for approval of
28 the Class Representative Service Payments. Class Members and their counsel may

1 support or oppose the Settlement and the motion for an award of attorneys' fees and
2 costs and the Class Representative Service Payments, if they so desire, as set forth
3 in the Class Notice.

4 12. Any Class Member may appear at the final approval hearing in person
5 or by his or her own attorney and show cause why the Court should not approve the
6 Settlement, or object to the motion for an award of attorneys' fees and costs and the
7 service award. For any written comments or objections to be considered at the
8 hearing, the Class Member must submit the written objections to the Settlement
9 Administrator in compliance with the instructions in the Class Notice and describe
10 the nature of the Class Member's comments, support or objection. Written
11 comments or objections to the Settlement or to the attorneys' fees and costs must be
12 postmarked no later than 45 days after mailing of the Class Notice.

13 13. The Court reserves the right to continue the date of the final approval
14 hearing without further notice to Class Members. The Court retains jurisdiction to
15 consider all further applications arising out of or in connection with the Settlement.

16 DATED: _____
17

18 _____
19 HON. LARRY A. BURNS
20 U.S. DISTRICT COURT JUDGE
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EXHIBIT C

[FINAL APPROVAL ORDER AND JUDGMENT]

EXHIBIT C

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ISMAEL ORTEGA, KRISINDA
WOLFE, DORIS WILLIAMS-
JENKINS, and LILIA SILVA,
individuals, on behalf of themselves
and on behalf of all persons similarly
situated,

Plaintiffs,

v.

LOYAL SOURCE GOVERNMENT
SERVICES LLC, a limited liability
company; and DOES 1 through 50,
inclusive,

Defendant.

CASE NO. **3:20-cv-0879-LAB-NLS**

Assigned to: Hon. Larry A. Burns

[PROPOSED] ORDER:

- (1) GRANTING FINAL APPROVAL
OF CLASS ACTION
SETTLEMENT; AND**
- (2) ENTERING FINAL JUDGMENT**

1 On _____, a hearing was held on the motion of
2 Plaintiffs Ismael Ortega, Krisinda Wolfe, Doris Williams-Jenkins and Lilia Silva
3 (“Plaintiffs”) for final approval of the class settlement (the “Settlement”) with
4 Defendant Loyal Source Government Services, LLC (“Defendant”) and payments
5 to the Class, the Plaintiffs, Class Counsel, and the Settlement Administrator.

6 The Parties have submitted their Settlement, which this Court
7 preliminarily approved by its _____, order (Docket No. __) (the
8 “Preliminary Approval Order”). In accordance with the Preliminary Approval
9 Order, Class Members have been given notice of the terms of the Settlement and
10 the opportunity to comment on or object to it or to exclude themselves from its
11 provisions.

12 Having received and considered the Settlement, the supporting papers
13 filed by the Parties, and the evidence and argument received by the Court before
14 entering the Preliminary Approval Order and at the final approval hearing, the
15 Court grants final approval of the Settlement, enters this Order and Judgment, and
16 HEREBY ORDERS and MAKES DETERMINATIONS as follows:

17
18 1. Except as otherwise specified herein, the Court for purposes of this
19 Final Approval Order adopts all defined terms set forth in the Class Action
20 Settlement Agreement (“Agreement”).

21 2. The Court has jurisdiction over this Action and the Settlement pursuant
22 to 28 U.S.C. sections 1132(a) and 1332(d).

23 3. In the Preliminary Approval Order, this Court certified the Class for
24 settlement purposes only. For settlement purposes, the Court confirms the
25 certification of the Class which is both the California Class and the FCRA Class, as
26 defined herein. The California Class is defined as all individuals who worked for
27 Defendant in California as non-exempt employees during the California Class
28 Period (the “California Class”). The “California Class Period” is February 14, 2016

1 to September 29, 2020. The FCRA Class is defined as all employees or prospective
2 employees of Defendant in the United States for whom Defendant procured a
3 background check during the FCRA Class Period (the “FCRA Class”). The
4 “FCRA Class Period” is February 14, 2018 to September 29, 2020.

5 4. Pursuant to the Preliminary Approval Order, the Notice of Pendency of
6 Class Action Settlement and Hearing Date for Court Approval (“Class Notice”) was
7 sent to each class member by first-class mail. The Class Notice informed Class
8 Members of the terms of the Settlement, their right to receive a Settlement Share,
9 their right to comment on or object to the Settlement and/or the attorneys’ fees and
10 costs, their right to elect not to participate in the Settlement and pursue their own
11 remedies, and their right to appear in person or by counsel at the final approval
12 hearing and be heard regarding approval of the Settlement. Adequate periods of
13 time were provided by each of these procedures.

14 5. The Court finds and determines that this notice procedure afforded
15 adequate protections to Class Members and provides the basis for the Court to
16 make an informed decision regarding approval of the settlement based on the
17 responses of Class Members. The Court finds and determines that the Class Notice
18 provided in this case was the best notice practicable, which satisfied the
19 requirements of law and due process.

20 6. [REDACTED] Class Members filed written objections to the proposed settlement
21 as part of this notice process. [As applicable] The Court overrules the objections
22 raised by objecting Class Members. [REDACTED]

23 7. For the reasons stated in the Preliminary Approval Order, the Court
24 finds and determines that the terms of the Settlement are fair, reasonable and
25 adequate to the Class and to each Class Member and that the Participating Class
26 Members will be bound by the Settlement, that the Settlement is ordered finally
27 approved, and that all terms and provisions of the Settlement should be and hereby
28 are ordered to be consummated.

1 8. The Court finds and determines that the all-inclusive Gross Settlement
2 Amount in the maximum amount of \$2,750,000 and the Settlement Shares to be
3 paid to the Participating Class Members as provided for by the Settlement are fair
4 and reasonable. The Court hereby grants final approval to and orders the payment
5 of those amounts be distributed to the Participating Class Members out of the Net
6 Settlement Amount in accordance with the Agreement. Pursuant to the terms of the
7 Agreement, the Settlement Administrator is directed to make the payments to each
8 Participating Class Member in accordance with the Agreement.

9 9. The Court finds and determines that the fees and expenses of KCC,
10 LLC in administrating the settlement, in the amount of \$_____ [not to exceed
11 \$70,000], are fair and reasonable. The Court hereby grants final approval to and
12 orders that the payment of that amount be paid out of the Gross Settlement Amount
13 in accordance with the Agreement.

14 10. The Court finds and determines that the request by Plaintiffs and Class
15 Counsel to the Class Representative Service Payments and the attorneys' fees and
16 costs pursuant to the Agreement are fair and reasonable. The Court hereby grants
17 final approval to and orders that the payment of the amounts of \$ _____ to each of
18 the Plaintiffs for their Class Representative Service Payments [not to exceed
19 \$10,000], \$_____ for attorneys' fees to Class Counsel [not to exceed
20 \$916,666.67], and \$_____ for reimbursement of costs [not to exceed \$30,000]
21 be paid out of the Gross Settlement Amount in accordance with the Settlement.

22 11. Upon the Effective Date, the Defendant and Released Parties shall be
23 entitled to (i) a release from the Participating Class Members who are also FCRA
24 Class Members of all FCRA claims alleged in the operative complaint which
25 occurred through the date of preliminary approval or January 29, 2021 (whichever
26 is earlier), and also including any similar claims that were or could have been
27 brought under state law arising out of the allegations in the operative complaint,
28 including the Investigative Consumer Reporting Agencies Act and Consumer

1 Credit Reporting Agencies Act; and, (ii) a release from the Participating Class
2 Members who are also California Class Members of all claims that were or could
3 have been alleged under federal, state, or local law arising out of the allegations in
4 the operative complaint, including all causes of action alleged in the operative
5 complaint or any other claims arising out of the allegations in the operative
6 complaint as to the federal, state, or local wage & hour laws alleged in the operative
7 complaint, which occurred through the date of preliminary approval or January 29,
8 2021 (whichever is earlier); and, expressly excluding all other claims, including
9 claims for wrongful termination, unemployment insurance, disability, social
10 security, and workers' compensation, and claims outside of the applicable FCRA
11 Class Period and/or California Class Period.

12 12. Pursuant to the terms of the Agreement, the Plaintiff also fully and
13 finally releases Defendant and the other Released Parties from Plaintiffs' Released
14 Claims.

15 13. The PAGA Payment is approved, which is to be distributed as set forth
16 in the Agreement. Upon entry of this order and judgment, Plaintiffs, individually,
17 and in their capacity as a private attorney generals for, and proxies or agents of, the
18 California LWDA, and (ii) the LWDA, as the real party in interest, will irrevocably
19 release, acquit, and forever discharge Defendant of all claims for civil penalties
20 asserted or which could have been asserted under California Labor Code § 2699,
21 based on the facts and claims alleged in the operative complaints filed in the
22 Action, which have accrued during the PAGA Period and will accrue through
23 preliminary approval or January 29, 2021 (whichever is earlier) with respect to the
24 Aggrieved Employees, and, expressly excluding all other claims, including claims
25 for wrongful termination, unemployment insurance, disability, social security, and
26 workers' compensation, and claims outside of the applicable PAGA Period
27 ("PAGA Released Claims").

28 14. Nothing in this order shall preclude any action to enforce the Parties'

1 obligations under the Settlement or under this order, including the requirement that
2 Defendant make payment in accordance with the Agreement.

3 15. If, for any reason, the Effective Date (as defined by the Settlement)
4 does not occur, this Order will be vacated; the Parties will return to their respective
5 positions in this action as those positions existed immediately before the Parties
6 executed the Agreement; and nothing stated in the Agreement or any other papers
7 filed with this Court in connection with the Settlement will be deemed an admission
8 of any kind by any of the Parties or used as evidence against, or over the objection
9 of, any of the Parties for any purpose in this action or in any other action.

10 16. The Parties entered into the Settlement solely for the purpose of
11 compromising and settling disputed claims. Defendant in no way admits any
12 violation of law or any liability whatsoever to Plaintiffs and/or the Class,
13 individually or collectively, all such liability being expressly denied by Defendant.

14 17. Without affecting the finality of this Final Approval Order in any way,
15 the Court retains jurisdiction of all matters relating to the interpretation,
16 administration, implementation, effectuation and enforcement of this Order and the
17 Settlement.

18 18. Each side will bear its own costs and attorneys' fees except as
19 provided by the Settlement and this Order.

20 19. By means of this Order, this Court hereby enters final judgment in this
21 action, as defined in Rule 58(a)(1), Federal Rules of Civil Procedure.

22 20. Without affecting the finality of this Order in any way, the Court
23 retains jurisdiction of all matters relating to the interpretation, administration,
24 implementation, effectuation and enforcement of this order and the Settlement.

25 21. The Parties are hereby ordered to comply with the terms of the
26 Agreement.

27 22. This action is dismissed with prejudice as to the claims released by the
28 settlement.

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IT IS SO ORDERED, ADJUDGED AND DECREED.

DATED: _____

HON. LARRY A. BURNS
U.S. DISTRICT COURT JUDGE