

SETTLEMENT AGREEMENT AND RELEASE

Plaintiffs Michele Marks and Shamar Irace (“Named Plaintiffs”) and Defendant Everlaw, Inc. (“Everlaw” or “Defendant”) (collectively with the Named Plaintiffs, the “Parties”) hereby enter into this Settlement Agreement and Release (the “Agreement”) to resolve the wage and hour claims of the Named Plaintiffs and class and collective members (as defined below).

RECITALS

- A. WHEREAS, on July 31, 2019, Plaintiff Marks sent Defendant a letter in which she asserted that Defendant misclassified her and similarly situated Sales Representatives as exempt from overtime, and invited Defendant to engage in settlement negotiations;
- B. WHEREAS, on or around September 12, 2019, Plaintiff Marks and Defendant agreed to engage in dialogue regarding the possibility of a resolution of the threatened wage and hour claims and agreed to toll the limitations period on those claims and to an exchange of information and payroll data to facilitate that dialogue;
- C. WHEREAS, on February 18, 2020, the Parties participated in a full-day mediation session with the assistance of experienced wage and hour class and collective action mediator Tripper Ortman. Thereafter, the Parties engaged in extensive additional settlement discussions, resulting in an accord fully executed on April 13, 2020;
- D. WHEREAS, based upon their analysis and evaluation of a number of factors, and recognizing the substantial risks of litigation, including the possibility that litigation, if not settled now, might result in a recovery that is less favorable to the Named Plaintiffs and class and collective members, and that might not occur for several years, Plaintiffs’ Counsel is satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate and that the Agreement is in the best interests of the Named Plaintiffs and class and collective members;
- E. WHEREAS, Defendant has denied and continues to deny all allegations made by the Named Plaintiffs, has denied and continues to deny that the Sales Representatives were misclassified under the Fair Labor Standards Act and California wage and hour law, that Defendant is liable or owes damages or penalties to anyone with respect to the alleged facts or causes of action subject to this Agreement, and that the claims subject to this Agreement are appropriate for class or collective treatment, except for the purposes of settlement only. Nonetheless, without admitting or conceding any liability or damages whatsoever, Defendant has agreed to settle the Litigation on the terms and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of continuing the Litigation; and
- F. NOW, THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, as well as the good and valuable consideration provided for herein, the

Parties agree to a full and complete settlement of the Litigation (as defined below) on the following terms and conditions:

1. DEFINITIONS

The defined terms set forth in this Agreement have the meanings ascribed to them below.

- 1.1. Agreement.** “Agreement” means this Settlement Agreement and Release.
- 1.2. Application for Final Approval.** “Application for Final Approval” means documents and materials to be filed with the Court pursuant to Section 8(A), seeking final approval of the settlement.
- 1.3. California Class Members.** “California Class Members” means the approximately 46 Sales Representatives employed by Everlaw in California during the period September 12, 2015 through the Release Date (“Class Period”).
- 1.4. Class Counsel.** “Class Counsel” or “Plaintiffs’ Counsel” shall mean Outten & Golden LLP.
- 1.5. Class List.** “Class List” means a list of all Putative Collective Members, California Class Members, and PAGA Members, including their names, last known addresses, last known telephone numbers, last known personal email addresses, social security numbers, and dates and locations of employment as exempt-classified Sales Representatives.
- 1.6. Class Members.** “Class Members” means all Putative Collective Members, California Class Members, and PAGA Members.
- 1.7. Court.** “Court” means the Superior Court of California, County of Alameda.
- 1.8. Defendant.** “Defendant” or “Everlaw” means Everlaw, Inc.
- 1.9. Defendant’s Counsel.** “Defendant’s Counsel” shall mean JoAnna Brooks, Esq. and Erik Christensen, Esq., of Littler Mendelson, P.C., Treat Towers, 1255 Treat Boulevard, Suite 600, Walnut Creek, CA 94597.
- 1.10. Effective Date.** “Effective Date” means the later of the following dates: (a) if there is no appeal of the Final Approval Order, the day after the deadline for taking an appeal has passed; or (b) if there is an appeal of the Final Approval Order, the day after all appeals are resolved in favor of final approval.

- 1.11. Eligible Workweek.** “Eligible Workweek” shall mean each calendar week between September 12, 2015 and the Release Date, during which a Class Member was employed by Defendant as an exempt-classified Sales Representative.
- 1.12. Eligible PAGA Workweek.** “Eligible PAGA Workweek” shall mean each calendar week between September 12, 2018 and the Release Date during which a PAGA Member was employed by Defendant as an exempt-classified Sales Representative.
- 1.13. Employer Payroll Taxes.** “Employer Payroll Taxes” means all taxes and withholdings an employer is required to make pursuant to federal, state, and/or local law arising out of or based upon the payment of employment compensation in this Litigation, including but not limited to FICA, FUTA, and SUTA obligations. Defendant shall pay Employer Payroll Taxes in addition to the Total Settlement Amount in accordance with the terms of this Agreement.
- 1.14. Fairness Hearing.** “Fairness Hearing” means the hearing before the Court relating to the application for Final Approval.
- 1.15. Final Approval Order.** “Final Approval Order” means the Order entered by the Court after the Fairness Hearing, approving the terms and conditions of this Agreement, authorizing distribution of the Settlement Checks, Service Awards, and attorneys’ fees and costs.
- 1.16. Litigation.** “Litigation” shall refer to the proceedings that flow from the filing of the Complaint (as defined in Section 2 below).
- 1.17. Net Fund.** “Net Fund” means the remainder of the Total Settlement Amount after deductions for: (1) the Settlement Administrator’s fees and costs; (2) Court-approved attorneys’ fees and costs for Class Counsel; (3) Court-approved Service Awards to the Named Plaintiffs; and (4) the PAGA Fund.
- 1.18. Notice or Notices.** “Notice” or “Notices” means the Court-approved Notice of Proposed Class Action Settlement, as authorized in the Preliminary Approval Order.
- 1.19. Objection/Opt-Out Deadline.** “Objection/Opt-Out Deadline” means the deadline for Objections or Opt-out Statements, if any.
- 1.20. Objector.** “Objector” means an individual who properly files an Objection to settlement, and does not include any California Class Member who opts-out of this settlement.

- 1.21. Opt-out Statement.** “Opt-out Statement” is a written, signed statement that an individual California Class Member has decided to opt out and be excluded from this settlement.
- 1.22. PAGA Check Enclosure Letter.** “PAGA Check Enclosure Letter” means the letter attached hereto as Exhibit B which the Settlement Administrator shall mail to PAGA Members together with the Settlement Check for the PAGA Member’s Net PAGA Amount.
- 1.23. PAGA Fund.** “PAGA Fund” means the Eighteen Thousand Five Hundred Dollars (\$18,500.00) of the Total Settlement Amount that is attributed to the settlement of the PAGA claims of PAGA Members. Seventy-five percent (75%) of the PAGA Fund will be paid to the California Labor and Workforce Development Agency (“LWDA”) (“LWDA Payment”) and twenty-five percent (25%) of the PAGA Fund will be paid to the PAGA Members (“PAGA Payment”) as set forth in Section 10.4 below.
- 1.24. PAGA Group.** “PAGA Group” means the approximately 39 individuals employed by Everlaw as Sales Representatives in California during the period September 12, 2018 through the Release Date (“PAGA Period”). A member of the PAGA Group is a “PAGA Member.”
- 1.25. Participating Class Member.** “Participating Class Member” means a Class Member who do not timely submit an Opt-Out Statement.
- 1.26. Participating Collective Member.** “Participating Collective Member” means a Putative Collective Member or the authorized legal representative of such Putative Collective Member who timely cashes a Settlement Check.
- 1.27. Preliminary Approval Order.** “Preliminary Approval Order” means the Order entered by the Court: (i) certifying the California Class solely for the purpose of effectuating the Agreement; (ii) conditionally certifying the Fair Labor Standards Act (“FLSA”) Collective pursuant to 29 U.S.C. § 216(b) solely for the purpose of effectuating the Agreement; (iii) preliminarily approving the terms and conditions of this Agreement; (iv) appointing Class Counsel as defined above; (v) directing the manner and timing of providing Notice to the Class Members; and (vi) setting dates to effectuate the terms of this Agreement, including the Objection/Opt-Out Deadline and the date of the Fairness Hearing.
- 1.28. Putative Collective.** “Putative Collective” means the approximately 46 individuals employed by Everlaw as Sales Representatives during the period September 12, 2016 through the Release Date. A member of the Putative Collective is a “Putative Collective Member.”

- 1.29. Qualified Settlement Fund or QSF.** “Qualified Settlement Fund” or “QSF” means the account established by the Settlement Administrator for the Total Settlement Amount paid by Defendant. The QSF will be controlled by the Settlement Administrator subject to the terms of this Agreement and the Court’s Orders for Preliminary Approval and Final Approval. Interest, if any, earned on the QSF shall become part of the Net Fund.
- 1.30. Release Date.** “Release Date” is the date corresponding to the number of accrued workweeks covered by the Total Settlement Amount. Should the number of workweeks identified at the mediation (2,011) increase by more than 10%, Everlaw will have the option to increase the Total Settlement Amount by a proportionate additional amount for each additional workweek and the Release Date will be adjusted accordingly. If Everlaw declines to exercise this option, the Total Settlement Amount will cover no more than 2,212.1 workweeks (10% more than 2,011, the number of workweeks disclosed in advance of mediation), and the Release date will be adjusted accordingly, to correspond with the date on which 2,212.1 workweeks accrued. The Release Date will be no earlier than the February 18, 2020 mediation and no later than the date of Preliminary Approval.
- 1.31. Released California Class Claims.** “Released Class Claims” means any and all California wage and hour claims that accrued during the California Class Member’s employment as an exempt-classified Sales Representative, relating back to September 12, 2015, including the claims that were alleged in Plaintiffs’ Complaint, and continuing through the Release Date, including, without limitations, all state claims for unpaid wages, premium pay of any kind, and all claims for penalties under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1194, 2698 *et seq.*, as well as the applicable California Industrial Welfare Commission Wage Order, Business and Professions Code sections 17200-17208 *et seq.*, interest, liquidated damages, attorneys’ fees, costs, and expenses as alleged in the Complaint.
- 1.32. Released Collective Claims.** “Released Collective Claims” means any and all wage and hour claims that accrued during the Collective Member’s employment as an exempt-classified Sales Representative, relating back to September 12, 2016, including the claims that were alleged in Plaintiffs’ Complaint, and continuing through the Release Date, including, without limitations, any and all federal claims for unpaid overtime wages pursuant to Section 7 of the Fair Labor Standards Act (“FLSA”), 29 U.S.C. section 207, and related claims for penalties, interest, liquidated damages, attorneys’ fees, costs, and expenses.
- 1.33. Released PAGA Claims.** “Released PAGA Claims” means any and all claims relating to penalties under the California Private Attorneys General Act, California

Labor Code section 2698 et seq., that accrued during the PAGA Member's employment as an exempt-classified Sales Representative, relating back to September 12, 2018, and continuing through the Release Date.

- 1.34. Releasees.** "Releasees" shall mean Defendant, its respective affiliates, subsidiaries, predecessors, successors, and all other related entities, including but not limited to all of its incumbent and former officers, directors, owners, members, managers, shareholders, investors, agents, attorneys, employees, fiduciaries, successors, assigns, and representatives, in their individual and/or representative capacities.
- 1.35. Sales Representatives.** "Sales Representatives" as used in this Agreement means any employee of Defendant that worked as an exempt-classified Account Executive or exempt-classified Sales Development Representative.
- 1.36. Settlement Administrator.** "Settlement Administrator" means the qualified administrator selected pursuant to Section 3(A) to disseminate the Notice, administer the calculation, allocation, and distribution of the QSF, and perform the administrative duties set forth in Section 3(C). The Settlement Administrator's fees and costs shall be paid from the Total Settlement Amount.
- 1.37. Settlement Checks.** "Settlement Checks" means checks issued to Putative Collective Members and California Class Members for their share of the Net Fund, calculated in accordance with this Agreement; and checks issued to PAGA Members for their share of the PAGA Payment, calculated in accordance with this Agreement.
- 1.38. Total Settlement Amount.** "Total Settlement Amount" refers to Nine Hundred and Twenty-Five Thousand Dollars (\$925,000.00), the maximum amount Defendant has agreed to pay (other than Employer Payroll Taxes as set forth herein), subject to the procedure set forth in Section 1.30.

2. PROCEDURAL ISSUES

- A. Filing of Complaint.** Within seven (7) days after the execution of this Agreement, Named Plaintiffs will file a class and collective action complaint in the Superior Court of California, County of Alameda, and serve a Notice and Acknowledgment of Receipt—Civil form on Defense Counsel via email. The Complaint will assert overtime and other claims on behalf of a California Class, an FLSA collective, and the PAGA Group. Defendant shall have the right to review the Complaint before it is filed.

- B. Answer.** Defendant agrees to accept service of the Notice and Acknowledgment of Receipt—Civil form via email, and to return the signed Notice and Acknowledgment of Receipt—Civil form within 5 business days of receipt.
- C. Jurisdiction.** The Parties mutually consent to jurisdiction in the Superior Court of California, County of Alameda.

3. SETTLEMENT ADMINISTRATOR

- A. Retention.** Prior to filing the Motion for Preliminary Approval, Class Counsel shall engage Rust Consulting as Settlement Administrator.
- B. Funding Settlement Administrator.** The Settlement Administrator's costs and expenses, not to exceed \$11,500, shall be paid from the Total Settlement Amount.
- C. Responsibilities Of The Settlement Administrator.** The Settlement Administrator shall be responsible for: preparing, printing, and disseminating to Class Members the Notices, as provided herein; performing a skip trace up to two (2) times and resending, within one day of receipt, any Notices returned without a forwarding address or resending to those with a new forwarding address; responding to requests or communications made by the Parties; preparing, monitoring, and maintaining a website where Class Members can review information regarding the settlement; preparing, monitoring, and maintaining a telephone number with phone answerers; keeping track of requests for exclusion, Objections, or otherwise, including maintaining the original mailing envelope in which the request was mailed; providing counsel for the Parties with copies of all Objections and Opt-out Statements submitted by Class Members; providing Plaintiffs' Counsel with a list of the names, addresses, and contact information for Class Members who do not opt-out after the expiration of the Objection/Opt-Out Deadline; distributing the Settlement Checks to Participating Class Members, including the PAGA Check Enclosure Letter for PAGA Members; preparing, sending, and/or wire transferring Class Counsel's approved Costs and Fees; mailing Service Awards in accordance with this Agreement and the Final Approval Order; remitting required amounts to California's Labor and Workforce Development Agency ("LWDA") pursuant to the provisions of PAGA; referring to Class Counsel all inquiries by Class Members regarding matters not within the Settlement Administrator's duties specified herein; responding to inquiries of Class Counsel and Defendant's Counsel consistent with the Settlement Administrator's duties specified herein; promptly apprising counsel for the Parties of the activities of the Settlement Administrator; maintaining adequate records of its activities, including the dates of the mailing of Notices, returned mail and other communications and attempted written or electronic communications with Class Members, confirming in writing to Class Counsel and Defendant's Counsel its completion of the administration of the Agreement; timely responding to communications from the

Parties and their counsel; calculating the settlement amounts; reporting on the status of the settlement to the Parties on a weekly basis; notifying counsel for all Parties of all timely and untimely submissions; providing a compliance affidavit in connection with the Motion for Final Approval within ten (10) days of the Parties' deadline to file the motion for final approval; providing Defendant's Counsel with a redacted photocopy of each endorsed settlement check; locating Class Members, including calling Class Members, if necessary; establishing and administering the QSF; calculating and paying, as provided herein, all appropriate taxes and complying with all applicable tax reporting obligations, including preparing and filing all applicable tax forms; handling the California unclaimed property process for any Settlement Check to a PAGA Member not cashed; posting notice of the Final Judgment on the website; and such other tasks as set forth herein, or as the Parties mutually agree.

- D. Access to the Settlement Administrator.** The Parties will have equal access to the Settlement Administrator and all information related to the administration of the settlement, excluding the Class List. Defendant shall provide the Settlement Administrator with the information necessary to calculate the estimated settlement amounts and Settlement Checks for the Class Members, and both Parties shall reasonably assist the Settlement Administrator in locating Class Members.

4. PRELIMINARY APPROVAL MOTION

Within twenty-one (21) days after the execution of this Agreement, Class Counsel shall file a Motion for Preliminary Settlement Approval ("Preliminary Approval Motion") which shall include: (1) the proposed Notice attached hereto as Exhibit A; (2) a proposed Preliminary Approval Order; (3) an executed version of this Agreement; and (4) the necessary documents, memorandum, affidavits, and exhibits for purposes of certifying a Class and Collective for settlement purposes only, and preliminarily approving the Agreement. The Preliminary Approval Motion also will seek the setting of the Objection/Opt-Out Deadline for California Class Members to object or to opt-out, which date will be sixty (60) days from the initial dissemination of the Notices to Class Members by the Settlement Administrator, and for a Fairness Hearing for Final Approval of the settlement before the Court at the earliest practicable date.

5. NOTICE TO CLASS MEMBERS

- A. Class List to Settlement Administrator.** Within seven (7) days of the date of the Preliminary Approval Order, Defendant's Counsel shall provide the Settlement Administrator with the Class List. The Settlement Administrator shall provide Class Counsel with information regarding the number of workweeks associated with the Class List, to allow the parties to have equal information regarding the number of workweeks covered by the Total Settlement Amount pursuant to the terms of paragraph 1.30.

- B. Notice.** The Notice will include a description of the claims in the Litigation and this Agreement, the estimated amount of each Class Member's Settlement Check, and the opportunity to object, opt out, participate by cashing a Settlement Check, and/or appear at the Fairness Hearing, as applicable. Within twenty-one (21) days of the Preliminary Approval Order Date, the Settlement Administrator shall send the Court approved notice to all Class Members via First Class United States Mail and e-mail.
- C. Skip Trace and Re-mailing.** The Settlement Administrator will use all commercially reasonable means to confirm Class Members' addresses and obtain new addresses as necessary. In the event that a Notice mailed to a Class Member is returned as undeliverable, the Settlement Administrator shall attempt to obtain the correct address of such person, including up to two (2) skip traces, and shall attempt a re-mailing provided it obtains a more recent address. The Settlement Administrator shall also mail and/or email a Notice to any Class Member who contacts the Settlement Administrator or Class Counsel during the time period between the initial mailing of the Notice and the Objection/Opt-Out Deadline and requests a Notice. The Settlement Administrator will notify Class Counsel and Defendant's Counsel of the number of Notices that are returned as undeliverable, including after any subsequent mailing(s) as set forth in this Agreement.
- D. Objection/Opt-Out Deadline.** The Objection/Opt-Out Deadline shall be sixty (60) days from the date of the initial mailing or as otherwise set by the Court. Class Members to whom Notice was re-mailed shall have the later of the Objection/Opt Out Deadline or forty-five (45) days from the date of re-mailing in which to object or opt out.

6. CALIFORNIA CLASS MEMBER OPT-OUTS

- A.** California Class Members who choose to opt-out of the settlement as set forth in this Agreement must mail via First Class United States Mail, a written, signed statement to the Settlement Administrator that states he or she is opting out of the Settlement, and include his or her name and a statement indicating his or her intention to opt-out, such as: "I opt out of the Everlaw wage and hour settlement." ("Opt-out Statement"). To be effective, an Opt-out Statement must be post-marked or otherwise received by the Objection/Opt-Out Deadline.
- B.** The Settlement Administrator will stamp the received date on the original of each Opt-out Statement that it receives and shall serve copies of each Opt-out Statement on Class Counsel and Defendant's Counsel not later than three (3) days after receipt. The Settlement Administrator shall provide all Opt-out Statements in its compliance affidavit to be filed with the Application for Final Approval. The Settlement Administrator will retain the stamped originals of all Opt-out Statements

and originals of all envelopes accompanying Opt-out Statements in its files until such time as the Settlement Administrator is relieved of its duties and responsibilities under this Agreement.

7. OBJECTIONS TO SETTLEMENT

- A.** Class Members who have not opted out who wish to present objections to the settlement or the Agreement at the Fairness Hearing must first do so in writing (“Objection”). Absent good cause found by the Court, to be considered, such Objection must be mailed to the Settlement Administrator via First Class United States Mail and post-marked or otherwise received by the Objection/Opt Out Deadline. The Objection must include all reasons for objection to the settlement or the Agreement, and any supporting documentation. The Objection must also include the name, address, and telephone number for the Class Member making the objection (the “Objector”). The Settlement Administrator will stamp the date received on the original and send copies of each Objection, supporting documents, as well as a copy of the Notice and Claim Form mailed to the Objector, to Class Counsel and Defendant’s Counsel by email no later than three (3) days after receipt of the objection. A California Class Member who opts out may not object.
- B.** An Objector has the right to appear at the Fairness Hearing either in person or through counsel hired by the Objector. An Objector who wishes to appear at the Fairness Hearing must state his or her intention to do so in writing on his or her written Objection at the time he or she submits his or her written Objection. An Objector may withdraw his or her Objection at any time.
- C.** The Parties may file with the Court written responses to any filed Objections no later than three (3) days before the Fairness Hearing.

8. FAIRNESS HEARING AND APPLICATION FOR FINAL APPROVAL

- A.** After the Objection/Opt Out Deadline, in accordance with the schedule set by the Court in the Preliminary Approval Order and in advance of the Fairness Hearing, Class Counsel shall file supporting documents and materials for Final Approval of the settlement (“Application for Final Approval”). The Application for Final Approval will include a compliance affidavit from the Settlement Administrator, an application for attorneys’ fees, costs, and service awards, and supporting affidavits and documents from Class Counsel regarding the fairness, adequacy, and reasonableness of the Settlement or any aspect related to this Agreement, and a proposed Final Approval Order.
- B.** At the Fairness Hearing and through the Application for Final Approval, the Parties shall request that the Court, among other things: (1) finally certify the California

Class for purposes of settlement only; (2) approve the Settlement and this Agreement as fair, reasonable, adequate, and binding on all California Class Members who have not timely opted out of the Settlement and all Putative Collective Members; (3) order the Settlement Administrator to distribute Settlement Checks to the Class Members, including Service Awards, if any, to the Named Plaintiffs; (4) order the LWDA Payment, PAGA Payments, Settlement Administrator fees and costs and Attorneys' fees and costs to be paid from the QSF; (5) order entry of the Final Approval Order in accordance with this Agreement; and (6) retain jurisdiction over the interpretation and implementation of this Agreement as well as any and all matters arising out of, or related to, the interpretation or implementation of this Agreement and of the settlement contemplated hereby.

- C. Following distribution of the Settlement Checks to Class Members, including Service Awards, the LWDA Payment, PAGA Payments, Settlement Administrator fees and costs, Attorneys' fees and costs approved by the Court, and any payment to the *cy pres* recipient, Class Counsel will submit to the Court a Declaration of Final Accounting from the Settlement Administrator to the Court and request an Order of dismissal with prejudice.

9. TERMINATION OF AGREEMENT

- A. **Grounds for Settlement Termination.** Either Party may terminate the Agreement if the Court declines to enter the Preliminary Approval Order or Final Approval Order, except if the Court declines to enter the Preliminary Approval Order or Final Approval Order due solely to the amount of attorneys' fees sought by Class Counsel. If more than fifteen percent (15%) of the Class Members submit Opt-Out Statements, Defendant at its sole option may terminate this Agreement by giving notice to Class Counsel and the Settlement Administrator within five (5) business days of receipt by Defendant's counsel of the final report of the number of opt-outs from the Settlement Administrator after the Opt-Out Deadline. If Defendant chooses to exercise this right, it will be responsible for the full costs of the Settlement Administrator. The Parties and Class Counsel agree that they will support the settlement in good faith and will not encourage any Class Member to submit either an Opt-Out Statement or Objection.
- B. This Agreement is not contingent upon approval by the Court of Class Counsel's application for attorneys' fees, and if the Court approves the settlement payment amount allocated to the Class Members as set forth in this Agreement, but not the application for attorneys' fees, (i) the Agreement may not be terminated, and (ii) any Court-required reduction of the attorneys' fees will be reallocated to Participating Class Members as part of the Net Fund. Defendant will not oppose (a) an application for attorneys' fees of up to one-third of the Total Settlement Amount, plus litigation costs, to be paid out of the Total Settlement Amount, (b) a

motion for reconsideration of such application, and/or (c) an appeal regarding Class Counsel's application for attorneys' fees.

C. Procedures for Termination. To terminate this Agreement, the terminating Party shall give written notice to the other Party via email and overnight mail.

D. Effect of Termination. Termination shall have the following effects:

1. The Agreement shall be terminated as to the affected Parties and shall have no force or effect.
2. Defendant shall have no obligation to make any payments to any party, Class Member, or Class Counsel, except that the parties shall be equally responsible for (i) the costs and fees associated with the Settlement Administrator subsequent to the signing of this Agreement, and (ii) the costs and expenses of the Settlement Administrator associated with the mailing of termination notice to Class Members informing them of the settlement termination, if any, subject to paragraph 9.A.
3. If the Court grants preliminary approval but not final approval, the Settlement Administrator will provide a Court-approved notice to Class Members that the Agreement did not receive Final Approval and that, as a result, no payments will be made to Class Members under the Agreement. Such notice shall be sent by the Settlement Administrator via email and First Class United States Mail.
4. The Parties may jointly or individually seek reconsideration of a ruling by the Court declining to enter the Preliminary Approval Order or Final Approval Order in the form submitted by the Parties, or to seek Court approval of a renegotiated settlement.
5. The Litigation will resume as if no settlement had been attempted and the Agreement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the action prior to the entering of this Agreement, including the Parties' previous tolling agreement. Defendant retains the right to contest whether the Litigation should be maintained as a class or collective action, and to contest the merits of the claims being asserted in the Litigation. The Preliminary Order approving the settlement and certifying the class for settlement purposes only shall be null and void and the case may only be certified if Named Plaintiffs are granted class or collective certification after full briefing on a motion for such certification, or if the Parties agree otherwise.

10. SETTLEMENT TERMS

10.1. Settlement Amount

- A. Defendant agrees to pay a Total Settlement Amount of Nine Hundred and Twenty-Five Thousand Dollars (\$925,000.00), subject to paragraph 1.30. Defendant shall pay Employer Payroll Taxes separate from, and in addition to, the Total Settlement Amount.
- B. **Funding.** Defendant shall pay the Total Settlement Amount into the Qualified Settlement Fund within seven (7) days of the Effective Date.
- C. **Distribution.** Any portion of the Total Settlement Amount not distributed as per the terms hereof, including any interest accrued on the Qualified Settlement Fund, and any check not cashed after the expiration of the 120 days following issuance of checks to any Participating Class Members shall be redistributed *pro rata* to Participating Collective Members and Participating Class Members who cashed a settlement check, or, if redistribution is impractical on the basis that the amount remaining in the Net Fund is similar to or less than the cost of a second distribution, it shall be donated to a Centro Legal de la Raza as a *cy pres* recipient, subject to Court approval.

The Settlement Administrator will send out reminders via e-mail and First Class United States Mail within sixty (60) days after the initial distribution of checks to Participating Class Members who have not yet cashed their Settlement Checks reminding them to negotiate their checks prior to the one hundred and eighty (180) day deadline. Simultaneously with the issuance of the check cashing reminders, the Settlement Administrator shall apprise Class Counsel of the names of Participating Class Members who have not yet cashed their Settlement Check(s). Class Counsel may work with the Settlement Administrator to undertake additional efforts for the Settlement Administrator to contact such individuals to remind them to cash their Settlement Check. Any PAGA Payment check not cashed shall revert to the California unclaimed property fund under the name of the PAGA Member.

10.2. Attorneys' Fees, Expenses and Costs

- A. At the Fairness Hearing and through the Application for Final Approval, Class Counsel will petition the Court for an award of attorneys' fees of no more than one-third of the Total Settlement Amount, plus reimbursement of their litigation expenses and costs, not to exceed \$20,000, to be paid from the QSF ("Costs and Fees"). Defendant will not oppose this application, including any appeal or request for reconsideration if the application is denied or modified by the Court.
- B. The substance of Class Counsel's application for Costs and Fees is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Litigation. The outcome of any proceeding related to Class Counsel's application for Costs and Fees shall not terminate this Agreement or otherwise affect the Court's ruling on the Application for Final

Approval. Any amount not approved by the Court will become part of the Net Fund to be distributed to Participating Class Members.

10.3. Service Awards

- A.** In return for services rendered to the Class Members, Named Plaintiffs will apply to the Court to receive up to Ten Thousand (\$10,000.00) each as Service Awards from the Total Settlement Amount.
- B.** The application for Service Awards is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Litigation. The outcome of the Court's ruling on the application for Service Awards will not terminate this Agreement or otherwise affect the Court's ruling on the Application for Final Approval, Final Approval Order, or the fairness or reasonableness of this Agreement. Defendant will not oppose Named Plaintiffs' application for Service Awards. Any amount not approved by the Court will become part of the Net Fund to be distributed to Participating Class Members.
- C.** A mutual general release as set forth in Section 11.1 (D)-(F) will be executed by Everlaw and Named Plaintiffs in exchange for Named Plaintiffs receiving and accepting their Service Awards.

10.4 Private Attorneys General Act Payment. The Parties agree that Eighteen Thousand Five Hundred Dollars (\$18,500.00) of the Total Settlement Amount shall be allocated as settlement of claims under the Private Attorneys General Act ("PAGA"). Seventy-five percent (75%) of that total, or Thirteen Thousand Three Hundred and Eighty-Five Dollars (\$13,875.00), shall be paid to California's LWDA pursuant to the provisions of PAGA. The remaining twenty-five percent (25%), or Four Thousand Six Hundred and Twenty-Five Dollars (\$4,625.00) ("PAGA Payment"), shall be distributed to PAGA Members pursuant to the allocation formula as set forth in Section 10.5(B).

10.5. Allocation to Class Members of Net Fund and PAGA Payment

- A.** Class Members' estimated proportionate share of the Net Fund shall be determined by the Settlement Administrator pursuant to the following formula:
 - 1. Class Members will receive one point for each Eligible Workweek;
 - 2. To calculate each Class Member's proportionate share:
 - a) Add all points for all Class Members together to obtain the "Denominator";
 - b) Divide the number of points for each Class Member by the Denominator to obtain each Class Member's "Portion of the Net Fund";
 - c) Multiply each Class Member's Portion of the Net Fund by the Net

Fund to determine each Class Member's Net Amount.

- d) For each Class Member, their Net Amount will be the amount of their Settlement Check, except that PAGA Members will be entitled to an additional PAGA Amount, as set forth below.
- B.** PAGA Members' estimated proportionate share of the PAGA Payment shall be determined by the Settlement Administrator pursuant to the following formula:
 - 1. PAGA Members will receive one (1) point for each Eligible PAGA Workweek;
 - 2. To calculate each PAGA Member's proportionate share of the PAGA Payment:
 - a) Add all points for all PAGA Members together to obtain the "Denominator";
 - b) Divide the number of points for each PAGA Member by the Denominator to obtain each PAGA Member's "Portion of the PAGA Payment";
 - c) Multiply each PAGA Member's Portion of the PAGA Payment by the PAGA Payment to determine each PAGA Member's Net PAGA Amount;
 - d) Each PAGA Member will receive a separate Settlement Check for the Net PAGA Amount, in addition to the amount they are entitled to recover as a California Class Member.
- C.** The calculation of Eligible Workweeks and Eligible PAGA Workweeks shall be based on Defendant's business records. If a Class Member disputes Everlaw's records and/or the calculation of his or her Settlement Payment, he or she must provide written documentation supporting his or her contention by the Objection/Opt-Out Deadline. Everlaw's records are presumed to be correct unless the Class Member proves otherwise with documentary evidence. The Settlement Administrator will evaluate the information the Class Member provides and will make the final decision as to any dispute.
- D.** Defendant and the Settlement Administrator shall exchange such information as is necessary for the Settlement Administrator to make proper tax withholdings and comply with tax reporting obligations as described in Section 10.6.

10.6. Tax Characterization

- A.** For tax purposes, one third (33.33%) of payments to Participating Class Members pursuant to Section 10.5(A) shall be treated as W-2 wage payments and two-thirds

(66.67%) of such payments shall be treated as 1099 non-wage income as liquidated damages, statutory penalties, and interest.

In addition, 100% of the PAGA Payment to each PAGA Member pursuant to Section 10.5(B) shall be treated as 1099 non-wage compensation as statutory penalties.

- B.** Payments treated as W-2 wages shall be made net of all applicable employment taxes, including, without limitation, federal, state and local income tax withholding and the employee share of the FICA tax, and shall be reported to the Internal Revenue Service (“IRS”) and the payee under the payee’s name and social security number on an IRS Form W-2. Payments treated as liquidated damages, statutory penalties, and interest shall be made without withholding and shall be reported to the IRS and the payee, to the extent required by law, under the payee’s name and social security number on an IRS Form 1099. Payments of attorneys’ fees and costs pursuant to Section 10.2 shall be made without withholding. Class Counsel will receive a Form 1099 for this payment. Payment of Service Awards pursuant to Section 10.3 will be reported as deemed appropriate by the Settlement Administrator.
- C.** The employee portion of all applicable income and payroll taxes for the wage payments and any tax responsibility for the non-wage payments shall be the sole responsibility of the Class Member.

10.7. Timing of Payments. Twenty-eight (28) days after the Effective Date, the Settlement Administrator will mail Settlement Checks to Participating Class Members, Service Awards to Named Plaintiffs, and the LWDA Payment to the LWDA; and shall wire Costs and Fees to Class Counsel. Together with the Settlement Check for their Net PAGA Amount, PAGA Members shall be mailed the PAGA Check Enclosure Letter attached hereto as Exhibit B.

11. RELEASE

11.1 Release of Claims

- A.** By operation of the entry of the Final Approval Order, except as to such rights or claims as may be created by this Agreement, each individual California Class Member who does not timely opt-out pursuant to this Agreement, on his or her behalf and on behalf of his or her respective current, former and future heirs, spouses, executors, administrators, agents, and attorneys, forever and fully releases the Releasees from the Released California Claims.
- B.** By operation of the entry of the Final Approval Order, except as to such rights or claims as may be created by this Agreement, each Participating Collective Member and each Participating Class Member who cashes a Settlement Check, on his or her behalf, and on behalf of his or her respective current, former and future heirs,

spouses, executors, administrators, agents, and attorneys, forever and fully releases the Releasees from the Released Collective Claims.

The Settlement Check issued to Participating Class Members shall contain the following limited endorsement:

**SIGNATURE REQUIRED BEFORE DEPOSIT
CONSENT TO JOIN AND FINAL RELEASE OF CLAIMS:**

By endorsing, depositing, negotiating, or cashing this check, I (i) consent, agree, and opt in to be a party plaintiff in the case entitled *Marks v. Everlaw, Inc.*, Index No. [REDACTED], pending in Superior Court of California, County of Alameda, (ii) designate Outten & Golden LLP to represent me for all purposes in the Litigation, and to make decisions on my behalf, along with the Named Plaintiffs, concerning the Litigation, (iii) agree to be bound by the settlement negotiated and approved in the Litigation, (iv) forever and fully release the Releasees from the Released Collective Claims; and (v) specifically acknowledge that the Released Collective Claims reflect a compromise of disputed claims.

- C. By operation of the entry of the Final Approval Order, except as to such rights or claims as may be created by this Agreement, each PAGA Member, on his or her behalf, and on behalf of his or her respective current, former and future heirs, spouses, executors, administrators, agents, and attorneys, forever and fully releases the Releasees from the Released PAGA Claims.
- D. In addition to the waiver and release contained in Sections 11.1(A)-(C) above, and in consideration for the Service Award, if approved and paid under Section 10.3 above, Named Plaintiff Shamar Irace, her heirs, executors, administrators, successors and assigns, voluntarily release and forever discharge Defendant and Releasees of and from any actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, judgments, obligations, union grievances, claims, charges, complaints, appeals and demands whatsoever, in law or equity, which they may have against Releasees as of the date of execution of this Agreement, whether known or unknown, asserted or unasserted, including, but not limited to, any alleged violation of: Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*; the Civil Rights Act of 1991, Pub. L. No. 102-166, Sections 1981 through 1988 of Title 42 of the United States Code, 42 U.S.C. §§ 1981-1988; the Fair Labor Standards Act of 1938, 29 U.S.C. § 201 *et seq.*; the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 *et seq.*; the Immigration Reform and Control Act, as amended; the Workers Adjustment Retraining Notification Act, as amended; the Family and Medical Leave Act; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code, any other federal, state, city or local human rights, civil rights, wage-hour, wage-payment, pension, employee benefits, labor or other laws, rules, regulations and/or guidelines, constitutions or ordinances; any contract (whether oral or written, express or implied) or tort laws; any claim arising under the common law; any other

claim for unpaid wages, employment discrimination, retaliation, wrongful termination, constructive discharge, pain and suffering, mental anguish, intentional and/or negligent infliction of emotional distress; any claim for costs, fees, or other expenses, including attorneys' fees or any other action against Releasees, based upon any conduct occurring up to and including the date of each respective Plaintiff's execution of this Agreement. As a material term of this Agreement, Plaintiff further agrees that as of the Effective Date of this Agreement, all of her rights under Section 1542 of the Civil Code of the State of California are waived as to any claims against Releasees. Section 1542 provides as follows: **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.**

- E. In addition to the waiver and release contained in Sections 11.1A)-(C) above, and in consideration for the Service Award, if approved and paid under Section 10.3 above, Named Plaintiff Michele Marks, releases all claims set forth in Section 10.1(D) above, subject to a carve-out for the claims set forth in her currently pending Department of Fair Employment and Housing (DFEH) and Division of Labor Standards Enforcement (DLSE) charges and related state, federal, and/or local claims and all available remedies and damages under such claims including but not limited to economic damages, emotional distress damages, punitive damages, and attorneys' fees and costs. Named Plaintiff Michele Marks does not release any Carved-out Claims ("Carved-out Claims"). Defendant shall not use this Agreement as a defense to the Carved-out Claims in any proceeding. Defendant does not waive any other available defenses.
- F. In consideration of the Named Plaintiffs' execution of this Agreement, which Defendant acknowledges is adequate consideration, Defendant and Releasees hereby irrevocably and unconditionally waive, release, and forever discharge and covenant not to sue Named Plaintiffs, from any and all claims, liabilities and causes of action of any kind which the Defendant and Releasees ever had, now have or hereafter may have against Named Plaintiffs by reason of any matter, cause or thing whatsoever occurring on or at any time prior to the date hereof, including, but not limited to, all claims arising out of or from or regarding or pertaining to any transaction, dealing, conduct, act or omission, or any other matters or things relating to the employment relationship and/or the termination of the employment relationship, based upon any contract, whether express or implied, oral or written, tort or public policy, and claims for costs, fees or expenses.

11.2 Denial of Liability

Defendant has agreed to the terms of this Agreement without in any way acknowledging any fault or liability, and with the understanding that terms have been reached because this settlement will avoid the further expense and disruption of Defendant's business due to the pendency and expense of litigation. Nothing in this Agreement shall be deemed or used as

an admission of liability by Defendant, nor as an admission that a class should be certified for any purpose in this case other than settlement purposes.

12. INTERPRETATION AND ENFORCEMENT

- 12.1.** Cooperation Between the Parties; Further Acts. The Parties shall reasonably cooperate with each other and shall use their reasonable best efforts to obtain the Court's approval of this Agreement and all of its terms. Each Party, upon the request of any other Party, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.
- 12.2.** Communication with the Media. No communications to media, or any form of advertising or social media communications regarding the Complaint or this settlement shall be made by Named Plaintiff or Class Counsel at any time.
- 12.3.** No Assignment. Class Counsel and Named Plaintiffs represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the Litigation, or any related action.
- 12.4.** Entire Agreement. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.
- 12.5.** Binding Effect. This Agreement shall be binding upon the Parties.
- 12.6.** Arms' Length Transaction; Materiality of Terms. The Parties have negotiated all the terms and conditions of this Agreement at arms' length. All terms and conditions of this Agreement in the exact form set forth in this Agreement are material to this Agreement and have been relied upon by the Parties in entering into this Agreement, unless otherwise expressly stated.
- 12.7.** Captions. The captions or headings of the Sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.
- 12.8.** Governing Law. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California, without regard to choice of law principles, except to the extent that the law of the United States governs any matter set forth herein, in which case such federal law shall govern.
- 12.9.** Continuing Jurisdiction. The Parties shall request the Court to retain jurisdiction over the interpretation and implementation of this Agreement as well as any and all matters arising out of, or related to, the interpretation or implementation of this

Agreement and of the settlement contemplated thereby. The Parties shall not petition the Court to modify the terms of the Agreement.

- 12.10.** Waivers, etc. to Be in Writing. No waiver, modification or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification or amendment, subject to any required Court approval. Any failure by any Party to insist upon the strict performance by the other Party of any of the provisions of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.
- 12.11.** When Agreement Becomes Effective; Counterparts. This Agreement shall become effective upon its full execution and approval by the Court. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if all Parties had signed the same instrument.
- 12.12.** Signatures. This Agreement is valid and binding if signed by the Parties and their authorized representatives.
- 12.13.** Facsimile, Electronic, and Email Signatures. Any Party may execute this Agreement by signing or causing its counsel to sign on the designated signature block below and transmitting that signature page via facsimile, email, or other electronic means to counsel for the other party. Any signature made and transmitted by facsimile, email, or other electronic means for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or email.
- 12.14.** Construction. The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this Agreement, and therefore the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any party by virtue of draftsmanship.

Dated: 7 July, 2020

EVERLAW, INC.

By: 
AJ Shankar, Chief Executive Officer

Dated: _____, 2020

MICHELE MARKS

Michele Marks

Dated: _____, 2020

SHAMAR IRACE

Shamar Irace

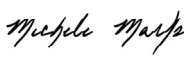
Dated: _____, 2020

EVERLAW, INC.

By: _____
AJ Shankar, Chief Executive Officer

Dated: 7/7/2020, 2020

MICHELE MARKS

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Michele Marks

Dated: _____, 2020

SHAMAR IRACE

Shamar Irace

Dated: _____, 2020

EVERLAW, INC.

By: _____
AJ Shankar, Chief Executive Officer

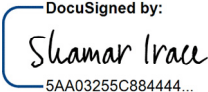
Dated: _____, 2020

MICHELE MARKS

Michele Marks

Dated: 7/7/2020, 2020

SHAMAR IRACE

DocuSigned by:

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Shamar Irace

Exhibit A

OFFICIAL COURT NOTICE OF CLASS ACTION SETTLEMENT

[NAME]

[ADDRESS]

[CITY, STATE ZIP]

If you worked for Everlaw as a Sales Development Representative or Account Executive you may be entitled to a payment from a class action lawsuit settlement.

A court authorized this notice. This is not a solicitation from a lawyer.

- You have received this Notice because Everlaw’s records indicate that you were employed as a Sales Development Representative or Account Executive (collectively, “Sales Representative”) in the State of California between September 12, 2015 and XX.
- Two former Sales Representatives filed a lawsuit alleging that Everlaw misclassified them and other Sales Representatives as “exempt” from overtime and failed to pay proper overtime wages, provide meal breaks, reimburse business expenses, and provide proper wage statements. Everlaw denies these allegations and the Court has not made any ruling on the merits of Plaintiffs’ claims. The parties have entered into a settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expense.
- Under the allocation formula created by the settlement, your potential settlement payment is estimated to be approximately \$[AMOUNT], subject to deductions for applicable taxes.

Your legal rights may be affected by this settlement, and you have a choice to make:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING NOW, CASH A SETTLEMENT CHECK	If you do nothing, you will remain a part of this case, release the Released California Claims discussed in Section 10 below, and be sent a settlement check of approximately \$[AMOUNT], subject to applicable taxes and withholdings. If you endorse and deposit the settlement check, you will further release the Released Collective Claims discussed in Section 10 below. If you do not cash your settlement check, you will release the Released California Claims, but not the Released Collective Claims.
EXCLUDE YOURSELF	If you do not want to participate in the settlement and want to retain your right to sue Everlaw for unpaid wages and related wage and hour claims under not only federal law but also under California state law, you must submit a

	written Opt-out Statement to the Settlement Administrator, as discussed in Section 11 below. If you submit an Opt-out Statement, you will not be eligible to receive a settlement payment or object to the settlement.
OBJECT	If you do not submit an Opt-out Statement, you may write to the Court about why you object to the settlement. More information about objecting is set forth in Section 15 below.

- These rights and options – **and the deadlines to exercise them** – are explained in greater detail this Notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Settlement payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

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4. Why is this a class/collective action?
5. Why is there a settlement?

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BASIC INFORMATION

1. Why did I get this notice?

The Court ordered that you be sent this Notice because you have a right to know about a proposed class and collective action settlement, and about all of your options, before the Court decides whether to finally approve the settlement. This Notice explains the lawsuit, your legal rights, and what benefits are available.

The Court overseeing this case is Superior Court of California, County of Alameda. The litigation is *Marks v. Everlaw, Inc.*, No. RG20064474.

2. Am I covered by this settlement?

Everlaw's records state that you were employed by Everlaw as an exempt (i.e., overtime ineligible) Sales Representative in California between September 12, 2015 and XX, and you are thus considered a "California Class Member" and Putative Collective Member.

3. What is the litigation about?

The litigation is about whether Everlaw misclassified Sales Representatives in California as exempt from federal and state overtime protections and failed to pay proper overtime wages, provide meal breaks, reimburse business expenses, and provide proper wage statements. Everlaw denies these allegations and believes that its Sales Representatives were properly classified and received all wages and payments to which they were entitled. The Court has not made any ruling on the merits of the claims, and no party has prevailed in this action.

4. Why is this a class/collective action?

In a class action, one or more people called "class representatives" sue not only for themselves, but on behalf of other people who have similar claims. The people are called "class members" and together are the "class." Similarly, in a collective action, one or more people can seek to represent a "collective" of similarly situated people. The individuals who initiated this class/collective action are called the "Plaintiffs." In a class/collective action, the Plaintiffs ask the court to resolve the issues for every member of the class and collective.

5. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Everlaw. Both sides believe they will prevail in the litigation, but there was no decision in favor of either party. Instead, the Parties have agreed to resolve this matter solely in order to avoid the burden, expense and risks associated with continued litigation. The Plaintiffs and Class Counsel think the settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide?

Everlaw has agreed to pay \$925,000.00 (the “Total Settlement Amount”). The Total Settlement Amount will be used to pay: (1) California Class Members and Participating Collective Members; (2) attorneys’ fees of up to \$308,333.33 (one-third of the Total Settlement Amount) plus reimbursement of actual litigation expenses and costs of up to \$20,000.00; (3) Service Awards of \$10,000.00 each to the two Named Plaintiffs; (4) \$13,875.00 to the California Labor and Workforce Development Agency plus \$4,625.00 to the California PAGA Members; and (5) the Settlement Administrator’s fees and costs of up to \$11,500.

7. How much will my settlement payment be and how was it calculated?

Based on the formula that has been preliminarily approved by the Court, your settlement payment is estimated to be \$[AMOUNT], one third (33.33%) of which is subject to payroll deductions for applicable taxes and withholdings like any other paycheck, for which you will receive a W-2, and two-thirds (66.67%) of which is not subject to deductions and will be reported on a 1099. Everlaw will pay the employer’s share of the payroll taxes in addition to the Total Settlement Amount. Neither Class Counsel nor Everlaw’s counsel can advise you regarding the tax consequences of the settlement. You may wish to consult with your own personal tax advisor in connection with the settlement.

The formula that has been approved by the Court and used to calculate your settlement payment considers the number of weeks you worked. The Settlement Agreement contains the exact allocation formula. You may obtain a copy of the Settlement Agreement at [XXX website URL] by contacting the Settlement Administrator at (XXX) XXX-XXXX or using the information in Section 8 below.

The Settlement Administrator used information from Everlaw’s records to calculate your payment. If you have questions about your calculation, you may contact the Settlement Administrator at (XXX) XXX-XXXX or using the information in Section 15 below. If you dispute Everlaw’s records and/or the calculation of your settlement payment, you must provide written documentation supporting your contention in connection and send it to the Settlement Administrator by XX [60 days from notice mailing]. Everlaw’s records are presumed to be correct unless you prove otherwise with documentary evidence. The Settlement Administrator will evaluate the information you provide and will make the final decision as to any dispute.

HOW YOU GET A PAYMENT

8. How can I get my payment?

If you wish to participate in the Settlement, you do not need to take any current action. You will receive a payment of \$[AMOUNT]. If you cash the Settlement Check within 120 days after its issuance, you will release your claims against Everlaw, as explained in Section 10 below.

9. When will I get my settlement payment?

The Court will hold a hearing on _____, at _____ to determine whether to give final approval to the settlement. If the Court approves the settlement, and there are no appeals, settlement checks will be mailed within 28 days after the expiration date of the time for an appeal to have been filed. If there is an appeal, settlement checks will be mailed within 28 days after all appeals are resolved in favor of final approval of the settlement. Please be patient.

10. What am I giving up by releasing my claims?

If you cash or otherwise negotiate your settlement check, you will release the Released Collective Claims. This means that you cannot sue, continue to sue, or be part of any other legal action against Everlaw asserting federal and/or state wage and hour claims that accrued during your employment as an exempt-classified Sales Representative, relating back to September 12, 2016 and continuing through **XX**, including, without limitations, any and all federal claims for unpaid overtime wages pursuant to Section 7 of the Fair Labor Standards Act (“FLSA”), 29 U.S.C. section 207, and related claims for penalties, interest, liquidated damages, attorneys’ fees, costs, and expenses.

Regardless of whether you cash or a settlement check, if you do not exclude yourself from the settlement (as described in Section 11 below), you will release the Released California Claims. This means that you cannot sue, continue to sue, or be part of any other legal action against Everlaw asserting California wage and hour claims that accrued during your employment as an exempt-classified Sales Representative, relating back to September 12, 2015, and continuing through **XX**, including, without limitations, all state claims for unpaid wages, premium pay of any kind, claims for penalties under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1194, 2698 *et seq.*, as well as the applicable California Industrial Welfare Commission Wage Order, Business and Professions Code sections 17200-17208 *et seq.*, interest, liquidated damages, attorneys’ fees, costs, and expenses as alleged in the Complaint. You will also be deemed to have specifically acknowledged that the Released California Claims reflect a compromise of disputed claims.

Regardless of whether you exclude yourself from the settlement, and, only if you worked on or after September 12, 2018, you will also release any and all claims relating to penalties under the California Private Attorneys General Act (PAGA), California Labor Code section 2698 *et seq.*, that accrued during the PAGA period relating back to September 12, 2018, and continuing through the Release Date.

At the conclusion of the distribution of Settlement Payments, the matter will be dismissed with prejudice.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not wish to release your California state law claims, you must take steps to exclude yourself. This is sometimes referred to as “opting out” of the settlement.

11. How do I opt out of the settlement?

If you wish to exclude yourself from the settlement, you must submit a written Opt-out Statement to the Settlement Administrator, stating: (i) your name; and (ii) a statement indicating your intent to exclude yourself from the settlement, such as “I opt out of the Everlaw wage and hour settlement.” The Opt-out Statement must be postmarked by or otherwise received on or before **[INSERT DATE 60 DAYS FROM NOTICE MAILING]**.

If you submit an Opt-out Statement, you will not be eligible to receive a settlement check. You will retain the right to bring your own legal action against Everlaw. You should be aware that your claims are subject to a statute of limitations, which means that they will expire on a certain date.

If you ask to be excluded, you cannot object to the settlement.

12. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not be eligible to receive a settlement check.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has decided that the lawyers at the law firm of Outten & Golden LLP are qualified to represent you and all class members. These lawyers are called “Class Counsel.” You will not be charged separately for these lawyers; their fees are being covered by the settlement fund. You do not need to retain your own attorney in order to participate and receive a settlement check. If you do not opt out of the class and want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to one-third of the Total Settlement Amount (\$308,333.33) for their attorneys’ fees. These fees would compensate Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. Class Counsel will also ask the Court to approve payment of up to \$20,000.00 for the out-of-pocket costs they incurred litigating the case.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

15. How do I tell the Court that I disapprove of the settlement?

If you have not submitted an Opt-out Statement, you can object to any portion of the settlement which you disapprove. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object to the settlement, send a letter to the Settlement Administrator saying that you object to the settlement which includes all of the following: (i) all

reasons for objecting to the settlement, and any supporting documentation; and (ii) your name, address, and telephone number.

As an Objector, you also have the right to appear at the Fairness Hearing before the Court (explained in Sections 17 and 18 below) either in person or through your own counsel. If you wish to appear at the Fairness Hearing, you should state your intention to do so in your letter to the Settlement Administrator.

Objections should be mailed to the Settlement Administrator at:

[SETTLEMENT ADMINISTRATOR CONTACT]

Absent good cause found by the Court, to be considered, our objection must be postmarked by or otherwise received on or before **[INSERT DATE 60 DAYS FROM NOTICE MAILING]**.

16. What's the difference between objecting and opting out?

Objecting is telling the Court that you do not like something about the settlement and asking the Court not to approve the settlement as is. You can object only if you stay in the Class.

Opting out (also known as excluding yourself) is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you. If you submit both an objection and an Opt-out Statement, the Settlement Administrator will attempt to contact you to determine whether you intended to object or exclude yourself. If the Settlement Administrator cannot reach you, it will be presumed that you intended to exclude yourself, and your objection will not be considered.

THE COURT'S FAIRNESS HEARING

17. When and where will the Court decide whether to approve the settlement?

The Court will hold the Fairness Hearing on _____ at _____, at **XX court** _____.

At the hearing, the Court will determine whether the settlement is fair, adequate, and reasonable and will consider any properly submitted objections.

18. Do I have to come to the fairness hearing?

No. Class Counsel will attend to answer questions the Court may have. But, you are welcome to come at your own expense.

GETTING MORE INFORMATION

19. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement from the Claims Administrator or Class Counsel using the contact information below or at [URL to website that has links to notice and case documents].

20. How do I get more information?

If you have other questions about the settlement or want more information, you can contact Class Counsel at:

Jahan Sagafi
Molly J. Frandsen
OUTTEN & GOLDEN LLP
One California Street, 12th Floor
San Francisco, CA 94111
Telephone: (415) 638-8800

Melissa L. Stewart
OUTTEN & GOLDEN LLP
685 Third Avenue, 25th Floor
New York, NY 10017
Telephone: (212) 245-1000

EverlawSettlement@outtengolden.com

Or the Settlement Administrator at:

[Telephone]
[Address]
[Website]

The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the Alameda County Superior Court's website, known as "DomainWeb," at <https://publicrecords.alameda.courts.ca.gov/PRS/>. After arriving at the website, click the 'Search By Case Number' link, then enter RG20064474 as the case number and click "SEARCH." Images of every document filed in the case may be viewed through the "Register of Actions" at a minimal charge.

You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

DATED: _____, 20__

Do not contact the Court directly for any reason.

Exhibit B

Dear [California PAGA Member Name]:

The enclosed check is your share of the California Private Attorneys General Act (“PAGA”) settlement payment in the *Marks v. Everlaw, Inc.* class action lawsuit (Case No. RG20064474) filed in Superior Court of California, County of Alameda court. You are receiving this check because you are a member of this settlement’s California PAGA Group, which is defined to include all individuals who worked for Everlaw in California as Sales Development Representatives or Account Executives (collectively, “Sales Representatives”) from September 12, 2018 through XX.

In this class action lawsuit, Plaintiffs alleged that Everlaw misclassified Sales Representatives as exempt from the overtime pay requirements of federal and California state law, and consequently failed to pay them overtime pay. Plaintiffs also brought related claims against Everlaw for alleged violations of the California Labor Code, including claims for unpaid wages, penalties, and unreimbursed business expenses.

The lawsuit also included a PAGA claim brought on behalf of the State of California that sought penalties from Everlaw for the overtime and other violations that Plaintiffs alleged. Everlaw denies that it did anything wrong and contends that, among other things, it has complied at all times with applicable federal and California law.

As part of the settlement of the PAGA claim, Everlaw agreed to pay \$18,500.00, which will be distributed according to PAGA’s requirement that 75% (or \$13,875.00) be distributed to the California Labor Workforce Development Agency and the remaining 25% (or \$4,625.00) be paid to members of the California PAGA Group. Your individual PAGA settlement payment is determined by your proportional share of the \$4,625.00 based on the number of workweeks you worked between September 18, 2018 and XX as an exempt-classified Sales Representative. This PAGA settlement check is separate from and in addition to any other individual settlement payment you may receive in this case.

Because the State of California has released its PAGA claims through this settlement, you are precluded from bringing any and all claims relating to penalties under PAGA that accrued during your employment as an exempt-classified Sales Representative, relating back to September 12, 2018 and continuing through XX. You are also deemed to have specifically acknowledged that the PAGA Claims reflect a compromise of disputed claims. Unless you excluded yourself from the class action portion of this settlement, you are also bound by the settlement release described in the settlement notice.

Enclosed you will also find an IRS Form 1099 for 100% of this payment. Please note that neither the Settlement Administrator nor Class Counsel can provide tax advice. If you have questions about the tax treatment of this payment, we suggest that you consult your tax advisor or accountant.

Please cash or deposit the check on or before its printed void date. Checks will not be re-issued after the void date and will revert to the California unclaimed property fund. If you have any questions about the calculation of your payment, please visit [XX URL] or contact the Settlement Administrator at XX or XX or Class Counsel, Outten & Golden LLP, at 212-245-1000 or EverlawSettlement@outtengolden.com.

Regards,

Everlaw Settlement Administrator