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*Attorneys for Plaintiffs*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE**

RUBEN ALVARADO, individually, and on  
behalf of other members of the general public  
similarly situated; WHITEY DAVIS,  
individually, and on behalf of other members  
of the general public similarly situated and on  
behalf of other aggrieved employees pursuant  
to the California Private Attorneys General  
Act

Plaintiffs,

v.

CITADEL SERVING CORPORATION, a  
California corporation; and DOES 1 through  
100, inclusive,

Defendants.

Case No.: 30-2019-01057617-CU-OE-CXC

Honorable Kirk H. Nakamura  
Department CX103

**CLASS ACTION**

**DECLARATION OF EDWIN AIWAZIAN  
IN SUPPORT OF PLAINTIFFS' MOTION  
FOR PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

[Plaintiffs' Motion for Preliminary Approval of  
Class Action Settlement; Declaration of Class  
Counsel (Heather Davis); Declarations of  
Proposed Class Representatives (Ruben  
Alvarado and Whitey Davis); and [Proposed]  
Order filed concurrently herewith]

Reservation No.: 73471719  
Date: April 1, 2021  
Time: 2:00 p.m.  
Department: CX103

Complaint Filed: March 18, 2019  
FAC Filed: March 3, 2021  
Trial Date: None Set

**DECLARATION OF EDWIN AIWAZIAN**

I, Edwin Aiwarzian, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers for Justice, PC, attorneys of record for Plaintiffs Ruben Alvarado and Whitey Davis. The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

**EDUCATION**

2. In May of 2004, I graduated from *Pepperdine University School of Law* with a Juris Doctor degree. I have extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, I have previously served as a *pro bono* mediator for the Los Angeles Superior Court. In October of 2000, I obtained a Litigation Paralegal Certificate from the *UCLA Extension Program*. During the summer of 2000, I studied Legal Writing at *Harvard University*. In April of 1999, I obtained a Bachelor of Arts degree in Communication with a concentration in Natural Sciences from *Pepperdine University*.

**JUDICIAL EXTERNSHIPS**

3. From approximately September 2002 to approximately December 2002, I served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the *United States Court of Appeals for the Ninth Circuit*. From approximately June 2002 to approximately August 2002, I served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the *California Court of Appeal for the Second Appellate District*.

**LITIGATION AND CLASS ACTION EXPERIENCE**

4. In December of 2004, I obtained a license to practice law from the California State Bar. From approximately December 2004 to approximately August 2008, I was employed by the law firm of *Girardi & Keese*.

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6           6.       Since its inception, in or around October of 2008, *Lawyers for Justice*, PC has almost  
7 exclusively focused on the prosecution of consumer and employment class actions, involving  
8 wage-and-hour claims, race discrimination, unfair business practices or consumer fraud.  
9 Currently, we are the attorneys of record in over a dozen employment-related putative class actions  
10 in both state and federal courts in the State of California. Our firm has successfully litigated cases  
11 involving the executive, administrative, and other overtime exemptions to the State of California  
12 and federal overtime compensation requirements. During this relatively short time, in association  
13 with other law firms, we have recovered millions of dollars on behalf of thousands of individuals  
14 in California.

## EXAMPLES OF CLASS ACTION RESULTS

16           7.     What follows are just a few examples of the type of results we have achieved on  
17     behalf of our clients:

a) Our firm, in association with other co-counsel, represented the plaintiffs in a wage-and-hour class and representative action against a major property management company involving allegations of misclassification of various “manager” positions. On September 20, 2010, the court granted final approval of the class and representative action settlement. The Los Angeles County Superior Court Case Number is BC400414.

b) Our firm, in association with other co-counsel, represented the plaintiffs in a wage-and-hour class action against a national retailer involving allegations of misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

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1 c) Our firm, in association with other co-counsel, represented the plaintiffs in a  
2 wage-and-hour class and representative action against a national property management company  
3 involving allegations of misclassification of the “Property Manager” position. On May 23, 2012,  
4 the court granted final approval of the class and representative action settlement. The Los Angeles  
5 County Superior Court Case Number is BC430918.

6 d) Our firm, in association with other co-counsel, represented the plaintiffs in a  
7 wage-and-hour class action against a national retailer involving allegations of misclassification of  
8 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class  
9 certification. On August 26, 2013, the court granted final approval of the class action settlement.  
10 The Los Angeles County Superior Court Case Number is BC424012.

11 e) Our firm, in association with other co-counsel, represented the plaintiffs in a  
12 wage-and-hour class and representative action against a bank, involving allegations of  
13 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court  
14 granted final approval of the class and representative action settlement. The Kern County Superior  
15 Court Case Number is S-1500-CV-273194-LHB.

16 f) Our firm, in association with other co-counsel, represented the plaintiffs in a  
17 wage-and-hour class and representative action against a national wholesale distributor of plumbing  
18 and builder supplies, involving allegations of misclassification of multiple salaried “manager”  
19 positions. On May 22, 2014, the court granted final approval of the class and representative action  
20 settlement. The Sacramento County Superior Court Case Number is 34-2012-00136285.

21 g) Our firm, in association with other co-counsel, represented the plaintiffs in a  
22 wage-and-hour class action involving allegations of misclassification of the “Operations Manager”  
23 position. On September 16, 2014, the court granted plaintiffs’ motion for class certification. The  
24 Los Angeles County Superior Court Case Number is BC478769.

25 h) Our firm, in association with other co-counsel, represented the plaintiffs in a  
26 wage-and-hour class and representative action against a national retailer of household items, on  
27 behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted final  
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1 approval of the class and representative action settlement. The San Francisco County Superior  
2 Court Case Number is CGC-13-532344.

3 i) Our firm, in association with other co-counsel, represented the plaintiffs in a  
4 wage-and-hour class action involving allegations of misclassification of the salaried residential  
5 “Property Manager” position. On September 17, 2015, the court granted plaintiffs’ motion for  
6 class certification. The Los Angeles County Superior Court Case Number is BC474784.

7 j) Our firm, in association with other co-counsel, represented the plaintiffs in a  
8 wage-and-hour class and representative action against a national retailer of upscale hardware and  
9 home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court granted final  
10 approval of the class and representative action settlement. The Los Angeles County Superior  
11 Court Case Number is JCCP4794.

12 k) Our firm, in association with other co-counsel, represented the plaintiffs in a  
13 wage-and-hour class and representative action against a national retailer of apparel and fashion  
14 accessories, on behalf of non-exempt employees. On August 5, 2016, the court granted final  
15 approval of the class and representative action settlement. The Los Angeles County Superior  
16 Court Case Number is BC488069.

17 l) Our firm, in association with other co-counsel, represented the plaintiffs in a  
18 wage-and-hour class action against a national retailer of apparel, accessories, and home products,  
19 involving allegations of misclassification of the “Department Manager” position. On August 12,  
20 2016, the court granted plaintiffs’ motion for class certification in part and certified a class. The  
21 Alameda County Superior Court Case Number is RG13680477.

22 m) Our firm represented the plaintiff in a representative action under the Private  
23 Attorneys General Act, against a real estate and property management company, on behalf of non-  
24 exempt employees. On November 4, 2016, the Court granted approval of the settlement. The  
25 Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

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1           n)     Our firm, in association with other co-counsel, represented the plaintiffs in a  
2 wage-and-hour class action against a full-service bank, on behalf of non-exempt employees. On  
3 November 18, 2016, the court granted final approval of the class action settlement. The San  
4 Francisco County Superior Court Case Number is CJC-13-004839.

5           o)     Our firm represented the plaintiffs in a wage-and-hour class and  
6 representative action against a foodservice distributor, on behalf of non-exempt employees. On  
7 January 26, 2017, the court granted final approval of the class and representative action settlement.  
8 The San Bernardino County Superior Court Case Number is CIVDS1507260.

9           p)     Our firm, on behalf of the plaintiff and respondent in a PAGA representative  
10 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the  
11 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply*, 9  
12 Cal.App.5th 439 (Cal. App. 4th Dist., Mar. 7, 2017), review denied, cert. denied (U.S. Supreme  
13 Court Docket No. 17-254).

14           q)     Our firm, in association with other co-counsel, represented the plaintiffs in a  
15 wage-and-hour class and representative action against a consumer packaging company, on behalf  
16 of non-exempt employees. On March 10, 2017, the court granted final approval of the class and  
17 representative action settlement. The Los Angeles County Superior Court Case Number is  
18 BC590429.

19           r)     Our firm, in association with other co-counsel, represented the plaintiffs in a  
20 wage-and-hour class action and representative action against a manufacturer of food service  
21 industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final  
22 approval of the class and representative action settlement. The Orange County Superior Court  
23 Case Number is 30-2015-00810013-CU-OE-CXC.

24           s)     Our firm represented the plaintiff in a wage-and-hour class and  
25 representative action against a property management company, on behalf of non-exempt  
26 employees. On June 14, 2017, the court granted final approval of the class and representative  
27 action settlement. The Los Angeles County Superior Court Case Number is BC586234.  
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1 t) Our firm represented the plaintiffs in a wage-and-hour class action and  
2 representative action against a food company on behalf of non-exempt employees. On June 30,  
3 2017, the court granted final approval of the class and representative action settlement. The  
4 Sacramento County Superior Court Case Number is 34-2015-00175871.

5 u) Our firm represented the plaintiffs in a wage-and-hour class action and  
6 representative action against a chocolate company on behalf of non-exempt employees. On July  
7 19, 2017, the court granted final approval of the class and representative action settlement. The  
8 Alameda County Superior Court Case Number is RG15764300.

9 v) Our firm, in association with other co-counsel, represented the plaintiff in a  
10 wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees.  
11 On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare  
12 County Superior Court Case Number is VCU264528.

13 w) Our firm represented the plaintiff in a wage-and-hour class action against a  
14 parking company on behalf of non-exempt employees. On September 3, 2019, the court granted  
15 the plaintiff's motion for class certification and certified a class. The Santa Clara County Superior  
16 Court Case Number is 16CV292208 and the Judicial Council Coordination Proceeding Number is  
17 JCCP 4886.

18 x) Our firm, in association with other counsel, on behalf of the plaintiff and  
19 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed  
20 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a  
21 notable decision from the California Supreme Court clarifying the law and finding, in part, that  
22 employer arbitration agreements are unenforceable where they block a PAGA claim from  
23 proceeding, *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019).

24 y) Our firm represented the plaintiffs in a wage-and-hour class and  
25 representative action against a bank on behalf of non-exempt employees. On September 27, 2019,  
26 the court granted the plaintiffs' motion for class certification in part and certified a class. The  
27 Alameda County Superior Court Case Number is RG15757606 and the Judicial Council  
28 Coordination Proceeding Number is JCCP 4921.

1           z)    Our firm represented the plaintiffs in a wage-and-hour class action and  
2 representative action against a manufacturer of plastic containers on behalf of non-exempt  
3 employees. On October 31, 2017, the court granted final approval of the class and representative  
4 action settlement. The Los Angeles County Superior Court Case Number is BC577233.

5           aa)   Our firm, in association with other co-counsel, represented the plaintiffs in a  
6 wage-and-hour class action and representative action against a property management company on  
7 behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court entered an order  
8 granting final approval of the class and representative action settlement. The Los Angeles County  
9 Superior Court Case Number is JCCP 4819.

10          bb)   Our firm, in association with other co-counsel, represented the plaintiffs in a  
11 wage-and-hour class action and representative action against a global provider of flexible office  
12 space solutions. On February 15, 2018, the court entered an order granting final approval of the  
13 class and representative action settlement. The Los Angeles County Superior Court Case Number  
14 is BC498401.

15          cc)   Our firm represented the plaintiffs in a wage-and-hour class and  
16 representative action against a behavioral health service provider on behalf of non-exempt  
17 employees. On November 13, 2018, the court granted final approval of the class and  
18 representative action settlement. The Alameda County Superior Court Case Number is  
19 RG16811450.

20          dd)   Our firm, in association with other co-counsel, represented the plaintiff in a  
21 representative action under the Private Attorneys General Act, against a global provider of  
22 products and services to the energy industry, on behalf of hourly-paid and non-exempt employees.  
23 On November 19, 2018, the Court granted approval of the settlement. The Kern County Superior  
24 Court Case Number is S-1500-CV-280215-SDC.

25          ee)   Our firm represented the plaintiffs in a wage-and-hour class and  
26 representative action against a national retailer of apparel and fashion accessories, on behalf of  
27 non-exempt employees. On October 9, 2019, the court granted the plaintiffs' motion for class  
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1 certification in part and certified a class. The Sacramento County Superior Court Case Number is  
2 34-2015-00175330-CU-OE-GDS.

3 ff) Our firm represented the plaintiff in a wage-and-hour class and  
4 representative action against a medical equipment supplier on behalf of non-exempt employees.  
5 On February 13, 2020, the court granted the plaintiff's motion for class certification and certified  
6 a class. The San Bernardino County Superior Court Case Number is CIVDS1505744.

7 gg) Our firm, in association with other counsel, represented the plaintiff in a  
8 wage-and-hour class and PAGA representative action against a large national drug testing  
9 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the  
10 plaintiff's motion for class certification and certified a class. The San Diego County Superior  
11 Court Case Number is 37-2018-00019611-CU-OE-CTL.

12 hh) Our firm represented the plaintiffs in a wage-and-hour class and  
13 representative action against a national retailer of sportswear, footwear, and camping equipment  
14 on behalf of non-exempt employees. On March 16, 2020, the court granted in part the plaintiff's  
15 motion for class certification and certified a class. The Riverside County Superior Court Case  
16 Number is RICJCCP4930.

#### 17 PRELIMINARY APPROVAL

18 8. Marked and attached hereto as "**EXHIBIT 1**" is the Stipulation of Settlement  
19 ("Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiffs  
20 Ruben Alvarado and Whitey Davis ("Plaintiffs"), individually and on behalf of all others similarly  
21 situated and other aggrieved employees, on the one hand, and Defendant Citadel Servicing  
22 Corporation ("Defendant"), on the other hand (collectively, the "Parties"). The Parties and their  
23 counsel have approved the proposed Notice of Class and Representative Action Settlement ("Class  
24 Notice"), which is attached to the Settlement Agreement as "Exhibit A" and respectfully request  
25 that the Court approve it as well.

26 9. Based on information provided by Defendant, as of January 2020, the Class is estimated  
27 to consist of approximately 213 individuals.

28 10. The effectiveness of Lawyers for Justice, PC and Protection Law Group (collectively

referred to as “Class Counsel”) in prosecuting this matter has translated into tangible monetary benefits for the Class Members in the following respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel’s fees and/or costs that would have only increased significantly had the case progressed through certification, trial, and/or appeals.

11. Class Counsel have litigated the case for almost two years, and were actively preparing the matter for class certification and trial. The Parties have engaged in extensive settlement negotiations and participated in a formal, full-day mediation conducted by Steven Serratore, a well-respected mediator experienced in mediating complex labor and employment matters. Prior to and during the mediation and settlement discussions, the Parties exchanged class information and engaged in an extensive discussion regarding their evaluations of the case and various aspects of the case, including but not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding with class certification and/or representative adjudication, the law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm’s length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and its counsel felt strongly about their ability to prevail on the merits and at certification, and Plaintiffs and Class Counsel believed that they would be able to obtain class certification and prevail at trial. After conducting investigations, formal and informal discovery, and exchange of information, extensive settlement negotiations, and with the aid of the mediator's evaluation, the Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiffs' principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Claims of Plaintiffs and Settlement Class Members, against the Released Parties.

1           12. The Parties used the pre-mediation time to investigate the veracity, strength, and  
2 scope of the claims, and Class Counsel were preparing the action for class certification and trial.  
3 Prior to engaging in mediation, Plaintiffs conducted significant investigation and formal and  
4 informal discovery regarding the facts of the case, including and not limited to, the exchange,  
5 review, and analysis of thousands of pages of documents and data obtained from Defendant and  
6 other sources. Class Counsel propounded multiple sets of formal written discovery requests onto  
7 Defendant and noticed the depositions of Defendant's Person Most Knowledgeable designees. The  
8 volume of data and documents that Class Counsel reviewed and analyzed included and was not  
9 limited to: Plaintiffs and other Class Members' employment records, a detailed sampling of Class  
10 Members' time and pay data (including but not limited to earning statements, employee time cards,  
11 and punch detail reports), Defendant's employee handbooks, company policy receipts  
12 acknowledgements, internal memoranda and emails, job descriptions, checklists (such as  
13 Defendant's New Hired Checklist and Termination Checklist), Defendant's operations and  
14 employment practices, forms (including but not limited to Defendant's Position Change Form and  
15 Rate Change Form), procedures, policies, and agreements (such as bonus agreements and  
16 arbitration agreements) among other information and documents. Class Counsel interviewed  
17 Plaintiffs and other Class Members to gather facts and to identify potential witnesses. Counsel for  
18 the Parties also met and conferred on numerous occasions, e.g., to discuss issues relating to the  
19 pleadings, discovery, and the production of documents and data prior to the mediation. Class  
20 Counsel also drafted pleadings and mediation brief and prepared for and attended court  
21 proceedings, mediation, and settlement negotiations, among other tasks.

22           13. Counsel for the Parties have also invested time researching and investigating the  
23 applicable law, which is constantly evolving as it relates to certification, representative PAGA  
24 claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement, Plaintiffs' claims  
25 and damages, and Defendant's defenses thereto, as well as facts discovered. Based on our analysis,  
26 I submit that the result achieved in this litigation is fair, adequate, and reasonable.

27           14. The Settlement provides for a Total Settlement Amount of Nine Hundred Thousand  
28 Dollars (\$950,000.00). The Net Distribution Fund is the Total Settlement Amount less the

1 following amounts subject to approval by the Court: Class Counsel Award to Class Counsel,  
2 Service Awards to Plaintiffs, Settlement Administration Expenses to Settlement Administrator,  
3 and LWDA's portion of the PAGA Payment to the Labor and Workforce Development Agency  
4 (“LWDA”). Assuming that the amounts allocated under the Settlement toward these payments  
5 are awarded by the Court, the Net Distribution Fund is currently estimated to be Four Hundred  
6 Ninety Eight Thousand Three Hundred Sixty Five Dollars (\$498,365.00). The Total Settlement  
7 Amount will be fully distributed in accordance with the terms of the Settlement and there is no  
8 reversion to Defendant.

9 15. The Parties have agreed to retain Simpluris, Inc. (“Simpluris” or “Settlement  
10 Administrator”) to handle the notice and settlement administration. The Parties respectfully  
11 request that the Court appoint Simpluris to handle these procedures and serve as the Settlement  
12 Administrator. Defendant will provide Simpluris with a list of Class Members that Defendant  
13 will compile from its records, which will include each Class Member: full name, last known  
14 address, Social Security number, start and end dates as either a Non-Exempt class Member or a  
15 Salaried Class Member, and Non-Exempt Workweeks and Salaried Workweeks worked (“Class  
16 Information”), and Simpluris will calculate each Settlement Class Member’s estimated share of  
17 the Net Distribution Fund (“Individual Settlement Payment”). Simpluris will also receive requests  
18 for exclusion from the Settlement, objections to the Settlement, and disputes regarding  
19 Workweeks; provide necessary reports and declarations; calculate, subtract, and transmit  
20 necessary taxes and withholdings; prepare and submit informational and other tax filings and  
21 documents; issue and transmit all payments provided for by the Settlement, including and not  
22 limited to, mailing Individual Settlement Payment checks to the Settlement Class Members; and  
23 perform any other usual and customary duties for administering a class action settlement.  
24 Settlement Administration Expenses are currently estimated not to exceed Ten Thousand Dollars  
25 (\$10,000.00) and will be paid out of the Total Settlement Amount, subject to approval of the Court.

26 16. Based on investigation and information discovered, Class Counsel believe that there  
27 is sufficient evidence to support the allegations made in the lawsuit, including the allegations that  
28 Defendant, misclassified the Salaried Class and with respect to Plaintiffs and the Class Members,

1 *inter alia*, failed to properly pay overtime and minimum wages and associated premium pay, failed  
2 to provide compliant meal and rest periods and to pay associated premium pay, failed to timely  
3 pay wages during employment and upon termination of employment, failed to provide compliant  
4 wage statements, failed to maintain requisite payroll records, and failed to reimburse necessary  
5 business expenses, and thereby engaged in unfair business practices and conduct giving rise to  
6 penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code  
7 sections 2698, *et seq.*). Plaintiffs also asserted that Salaried Class Members and Non-Exempt  
8 Class Members were expected to perform similar job duties and were subject to the same or similar  
9 operations and employment policies, practices, and procedures respectively. Additionally,  
10 Plaintiffs asserted that Defendant's recordkeeping practices with respect to Plaintiffs and the Class  
11 Members were substantially the same during the time period at issue. As a result, Plaintiffs claim  
12 that the Class Members, were uniformly not paid all of the compensation that was owed to them  
13 by Defendant since March 18, 2015. Thus, in Class Counsel's view, it is clear that the outcome  
14 of this litigation would be determined by whether Defendant had misclassified Exempt Class  
15 Members and Defendant's uniform operations and employment practices, policies, and procedures  
16 that Plaintiffs allege applied across the Exempt Class and Non-Exempt Class in California during  
17 the Class Period.

18 17. Class Counsel are aware of the defenses and position of Defendant, but believe that  
19 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs have also  
20 taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties  
21 and delays inherent in such litigation, including those involved in class certification and/or  
22 representative adjudication. Plaintiffs further recognize the burdens of proof necessary to establish  
23 liability for the claims asserted in the lawsuit, Defendant's defenses, and the difficulties in  
24 establishing entitlement to monetary recovery. Plaintiffs have also considered the Parties'  
25 settlement discussions, as well as the evaluations of the mediator, who is experienced and well-  
26 regarded in complex labor and employment matters.

27 18. Defendant, on the other hand, denied and continues to deny any liability and  
28 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further denies that

1 the lawsuit is appropriate for class treatment or representative adjudication for any purpose other  
2 than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides  
3 have also had the opportunity to interview witnesses and review documents and information  
4 relating to Plaintiffs' and Class Members' employment with Defendant, and Defendant's  
5 operations and employment policies, practices, and procedures. The Parties also reviewed and  
6 analyzed thousands of pages of documents and data, including but not limited to a detailed  
7 sampling of Class Members' time and pay information, to determine the potential value and  
8 strength of the claims. The available information enabled Class Counsel to estimate the potential  
9 claims of the Class and prepare damages/valuation models. Accordingly, the Parties have  
10 conducted adequate investigation and discovery to be sufficiently informed of the nature and  
11 extent of the Class Members' claims, and to enable both sides to fully evaluate the Settlement for  
12 its fairness, adequacy, and reasonableness. The Parties have agreed that the matter is well-suited  
13 for settlement given the legal issues relating to Plaintiffs' principal claims, as well as the costs and  
14 risks to both sides that would attend further litigation. The Settlement takes into account the  
15 strengths and weaknesses of each side's position and the uncertainty of how the case might have  
16 concluded at certification, trial, and/or appeals.

17 19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees  
18 in an amount of up to thirty-five percent (33%) of the Total Settlement Amount  
19 (i.e., \$316,635.00) and expenses and costs in an amount not to exceed Thirty Thousand Dollars  
20 (\$30,000.00), which will be paid out of the Total Settlement Amount, subject to approval by the  
21 Court. It should be noted that Class Counsel have borne all of the risks and costs of litigation and  
22 will not receive any compensation until recovery is obtained.

23 20. The Settlement Agreement provides for payment of up to Ten Thousand Dollars  
24 (\$10,000.00) each to Plaintiffs as Service Awards (for a combined total of \$20,000), to be paid out  
25 of the Total Settlement Amount subject to approval by the Court. Plaintiffs spent considerable  
26 time and effort to produce relevant documents and past employment records and to provide the  
27 facts and evidence necessary to attempt to prove the allegations. Plaintiffs were available  
28 whenever Class Counsel needed them and actively tried to obtain information that would benefit

1 the Class. Accordingly, it is appropriate and just for Plaintiffs to each receive a Service Awards,  
2 in addition to their gross Individual Settlement Payments, for their services on behalf of the Class.

3 21. Class Counsel submit that the Settlement is fair, reasonable, and adequate, and is in  
4 the best interest of the Class. Class Counsel further submit that the Settlement is within an  
5 acceptable range of recovery for this type of litigation given the strengths and weaknesses of the  
6 case, the inherent costs and risks of further litigation, and the costs and risks associated with class  
7 certification, representative adjudication, trial, and/or appeals.

8 I declare under penalty of perjury under the laws of the State of California that the  
9 foregoing is true and correct.

10 Executed on this 24th day of March 2021, at Glendale, California.

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12 Edwin Aiwanian  
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# **EXHIBIT 1**

MOLLIE M. BURKS (SBN: 222112)  
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ATTORNEYS FOR PLAINTIFF

SUPERIOR COURT OF CALIFORNIA –

COUNTY OF ORANGE

RUBEN ALVARADO, individually, and on  
behalf of other members of the general public  
similarly situated; WHITEY DAVIS,  
individually, and on behalf of other members  
of the general public similarly situated and  
on behalf of other aggrieved employees  
pursuant to the California Private Attorneys  
General Act;

Plaintiffs,

vs.

CITADEL SERVICING CORPORATION, a  
California Corporation; and DOES 1 through  
100, inclusive,

Defendants.

CASE NO. 30-2019-01057617-CU-OE-CXC

*[Assigned to Hon. Kirk H. Nakamura,  
Dept. CX103]*

**CLASS ACTION**

**STIPULATION OF SETTLEMENT**

Complaint filed: March 18, 2019

This Stipulation of Settlement, including Exhibits A - C hereto (“Settlement,” “Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiff Ruben Alvarado and Plaintiff Whitey Davis (“Plaintiffs”) on behalf of themselves, the Non-Exempt Settlement Class Members, and the Salaried Settlement Class Members, as defined below, on the one hand, and Defendant CITADEL SERVICING CORPORATION (“Defendant” or “CSC”), on the other hand. Plaintiffs and Defendant (collectively, the “Parties”) enter into this Agreement to effect a full and final settlement and preclusive judgment resolving all claims brought or that could have been brought against CSC based on the factual allegations contained in the Complaint in the case entitled RUBEN ALVARADO and WHITEY DAVIS v. CITADEL SERVICING CORPORATION. Case No. 30-2019-01057617-CU-OE-CXC (referred to as “the Action”), and all claims based on or reasonably related thereto. This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the claims as defined and based on the terms set forth below, to the full extent reflected herein, subject to the approval of the Court.

#### **I. RECITALS**

This Agreement is made in consideration of the following facts:

WHEREAS, on March 18, 2019, Plaintiff Ruben Alvarado filed a class action complaint in the Superior Court of California – County of Orange asserting, on behalf of himself and two putative classes. The first class entitled the “Non-Exempt Class” seeks to represent all hourly non-exempt employees of Defendant for alleged violations of (1) Unpaid overtime (Cal. (Cal. Labor Code §510 and 1198); (2) Unpaid Meal Period Premiums (Cal. Labor Code §226.7 and 512(a)); (3) Unpaid Rest Period Premiums (Cal. Labor Code §226.7); (4) Unpaid Minimum Wages (Cal. Labor Code §1194, 1197 and 1197.1); (5) Final Wages Not Paid (Cal. Labor Code §201 and 202); (6) Wages Not Timely Paid During Employment (Cal. Labor Code §204); (7) Non-Compliant Wage Statements (Cal. Labor Code §226(a)); (8) Failure to Keep Requisite Payroll Records (Cal. Labor Code §1174(d)); (9) Unreimbursed Business Expenses (Cal. Labor Code §2800 and 2802); and (10) Violation of California Business & Professions Code §17200. The Second Class entitled the “Salaried Class” alleged similar claims (except minimum wage) for the

1 alleged violations of (11) Unpaid overtime (Cal. Labor Code §510 and 1198); (12) Unpaid  
2 Meal Period Premiums (Cal. Labor Code §226.7 and 512(a)); (13) Unpaid Rest Period Premiums  
3 (Cal. Labor Code §226.7); (14) Final Wages Not Paid (Cal. Labor Code §201 and 202); (15)  
4 Wages Not Timely Paid During Employment (Cal. Labor Code §204); (16) Non-Compliant  
5 Wage Statements (Cal. Labor Code §226(a)); (17) Failure to Keep Requisite Payroll Records  
6 (Cal. Labor Code §1174(d)); (18) Unreimbursed Business Expenses (Cal. Labor Code §2800 and  
7 2802); and (19) Violation of California Business & Professions Code §17200.

8 WHEREAS, on June 7, 2019, Defendant filed an answer denying each and every material  
9 allegation in the Complaint and asserted a number of affirmative defenses to the claims asserted  
10 therein;

11 WHEREAS, the Parties engaged in formal and informal discovery, exchanging information,  
12 documents and reviewing and analyzing extensive data made available by Defendant which  
13 enabled the parties to thoroughly evaluate Plaintiffs' claims, the claims of the putative classes,  
14 Defendant's defenses, and the likely outcomes, risks and expense of pursuing litigation;

15 WHEREAS, the Parties attended an in-person mediation session with professional mediator  
16 Steve Serratore, Esq. and reached terms of this arm's-length Settlement;

17 WHEREAS, the parties will submit a joint stipulation seeking the Court's leave for Plaintiff  
18 Alvarado to file a First Amended Class Action Complaint for Damages and Enforcement of the  
19 Private Attorneys General Act, Cal. Lab. Code § 2698 ("FAC" or "Complaint") adding named  
20 Plaintiff Whitey Davis and asserting a claim for unpaid penalties for alleged violations of  
21 California's Private Attorneys General Act ("PAGA") (Cal. Labor Code §2698, *et seq.*) against  
22 both putative classes.

23 WHEREAS, a bona fide dispute exists as to whether any amount of wages or penalties are due  
24 from Defendant to any Non-Exempt Class Member or Salaried Class Member (all as defined  
25 below), to the California Labor and Workforce Development Agency ("LWDA") and/or to any  
26 allegedly aggrieved employees;

27 WHEREAS, the Parties desire to compromise and settle all issues and claims that have been or  
28

1 could have been brought, based on the allegations in the operative Complaint, against CSC or  
2 related persons in the Action, including all claims brought on a putative class and/or  
3 representative basis in the Action;

4 WHEREAS, based on the discovery exchanged as well as their own independent investigation  
5 and evaluation, the Parties have considered the claims asserted by Plaintiffs, the defenses  
6 asserted by CSC, the risks associated with the continued prosecution of the Action, the cost of  
7 continued litigation through trial and appeals, and after considering all the circumstances, the  
8 Parties have concluded that the proposed settlement set forth in this Agreement is fair, adequate,  
9 and reasonable and confers substantial benefits upon the Settlement Class Members;

10 WHEREAS, the Parties further agree that the Agreement, the fact of this Settlement, any of the  
11 terms of this Agreement, and any documents filed in connection with the Settlement shall not  
12 constitute, or be offered, received, claimed, construed, or deemed as an admission, finding, or  
13 evidence of: (i) any wrongdoing by any Released Parties, (ii) any violation of any statute or law  
14 by Released Parties, (iii) any liability on the claims or allegations in the Action on the part of any  
15 Released Parties, (iv) any waiver of CSC's right to arbitration or the enforceability of any  
16 arbitration agreement, or (v) the propriety of certifying a litigation class or collective  
17 (conditionally or otherwise) or pursuing representative relief under the PAGA in the Action or  
18 any other civil or administrative proceeding; and this Agreement shall not be used by any Person  
19 for any purpose whatsoever in any administrative or legal proceeding, including but not limited  
20 to arbitrations, other than a proceeding to enforce the terms of the Agreement;

21 NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND AGREED,  
22 by Plaintiffs for themselves and on behalf of the Settlement Class Members, and by Defendant,  
23 that, subject to the approval of the Court, the Action shall be settled, compromised, and  
24 dismissed, on the merits and with prejudice, and the Non-Exempt Settlement Class Members  
25 Released Claims, and the Salaried Settlement Class Members Released Claims, as defined  
26 below, shall be finally and fully compromised, settled and dismissed as to the Released Parties,  
27 in the manner and upon the terms and conditions hereafter set forth in this Agreement.  
28

**II. DEFINITIONS**

Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings set forth below:

1. “Non-Exempt Class Claims” means all claims for wages, benefits and related penalties actually alleged or that could have been alleged in the Action by Plaintiffs, on behalf of themselves and the Non-Exempt Class Members, based on the facts alleged in the FAC, including but not limited to: (1) Unpaid overtime (Cal. Labor Code §510 and 1198); (2) Unpaid Meal Period Premiums (Cal. Labor Code §226.7 and 512(a)); (3) Unpaid Rest Period Premiums (Cal. Labor Code §226.7); (4) Unpaid Minimum Wages (Cal. Labor Code §1194, 1197 and 1197.1); (5) Final Wages Not Paid (Cal. Labor Code §201 and 202); (6) Wages Not Timely Paid During Employment (Cal. Labor Code §204); (7) Non-Compliant Wage Statements (Cal. Labor Code §226(a)); (8) Failure to Keep Requisite Payroll Records (Cal. Labor Code §1174(d)); (9) Unreimbursed Business Expenses (Cal. Labor Code §2800 and 2802); (10) Violation of California Business & Professions Code §17200; (11) penalties pursuant to PAGA (Cal. Labor Code §2698, *et seq.*); and (12) attorneys’ fees and costs of litigation associated with this Action. “Non-Exempt Class Claims” also includes all claims that Plaintiffs and/or Non-Exempt Class Members may have against the Released Parties relating to (i) the payment, taxation and allocation of the Class Counsel Award pursuant to this Settlement Agreement and (ii) the payment, taxation and allocation of Plaintiffs’ Service Awards pursuant to this Settlement Agreement.
2. “Non-Exempt Class Members” means all current and former hourly-paid or non-exempt employees who worked for Defendant in the state of California at any time during the Class Period.
3. “Class Period” means the time period from March 18, 2015 through the date of Preliminary Approval.
4. “Non-Exempt Settlement Class Members” means all Non-Exempt Class Members who do not opt out of this Settlement by submitting a Request for Exclusion.

- 1 5. “Non-Exempt Settlement Class Members’ Released Claims” means the Non-Exempt Class  
2 Claims that Non-Exempt Settlement Class Members are fully and irrevocably releasing in  
3 exchange for the consideration provided by this Settlement Agreement, whether arising at  
4 law, in contract or in equity, and whether for economic or non-economic damages,  
5 restitution, injunctive relief, penalties or liquidated damages based on the factual allegations  
6 of the Complaint, arising during the Class Period.
- 7 6. “Class Counsel” means Lawyers *for* Justice, PC and Protection Law Group, LLP.
- 8 7. “Class Counsel Award” means the attorneys’ fees and costs awarded by the Court to Class  
9 Counsel to fully satisfy all claims for attorneys’ fees and costs incurred by Plaintiffs to  
10 litigate and settle this Action, which may not exceed thirty percent (33.33%) of the Total  
11 Settlement Amount, or \$316,635, and reimbursement of litigation costs and expenses not to  
12 exceed \$30,000.
- 13 8. “Class Information” means information regarding the Class Members that Defendant will in  
14 good faith compile from its records and provide to the Settlement Administrator. Class  
15 Information shall be provided in a Microsoft Excel spreadsheet and shall include, if possible,  
16 the following information for each Non-Exempt Class Member and the Salaried Class  
17 Member: full name, last known address, Social Security number, start and end dates as either  
18 a Non-Exempt Class Member or a Salaried Class Member, and Non-Exempt Workweeks and  
19 Salaried Workweeks worked. Because Non-Exempt Class Members’, and the Salaried Class  
20 Members’ private information is included in the Class Information, the Settlement  
21 Administrator shall maintain the Class Information in confidence, shall limit access to the  
22 information to only those employees of the Settlement Administrator with a need to use the  
23 Class Information as part of the administration of the Settlement, and shall use and disclose  
24 Class Information only for purposes of this Settlement and for no other purpose.
- 25 9. “Class Members” means all Non-Exempt Class Members and Salaried Class Members
- 26 10. “Class Notice” means the Notice of Class and Representative Action Settlement to be  
27 provided to Class Members which shall be substantially in the form as the Class Notice  
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1 attached as Exhibit A.

2 11. "Complete and General Release" means an irrevocable and unconditional release given only  
3 by Plaintiffs Alvarado and Davis, releasing Defendant and the Released Parties from any and  
4 all charges, complaints, claims, causes of action, debts, sums of money, controversies,  
5 agreements, promises, damages and liabilities of any kind or nature whatsoever, both at law  
6 and equity, known or unknown, suspected or unsuspected, arising from conduct occurring on  
7 or before the date Plaintiffs sign this Settlement Agreement, including but not limited to a  
8 release of any and all rights Plaintiffs have to sue or bring any type of claim under (a)  
9 California state law, (b) the Fair Labor Standards Act; (c) Title VII of the Civil Rights Act of  
10 1964, as amended, 42 U.S.C. § 2000e *et seq.*, (d) the Employment Act of 1967, (e) the Civil  
11 Rights Act of 1991, (f) the Civil Rights Act of 1866 and 1870, (g) 42 U.S.C. § 1981, as  
12 amended, (h) Executive Order 11246, (i) the Americans with Disabilities Act 42 U.S.C. §  
13 12101, *et. seq.*, as amended, (j) the Family and Medical Leave Act, as amended, (k) the Equal  
14 Pay Act of 1963, as amended, (l) the Immigration and Reform Control Act, as amended, (m)  
15 the Occupational Safety and Health Act, as amended, (n) the Sarbanes-Oxley Act of 2002, as  
16 amended, (o) the Employment Retirement Income Security Act of 1974, as amended (except  
17 vested benefits), (p) the Worker Adjustment and Benefit Protection Act of 1990, as amended,  
18 (q) the Worker Adjustment and Retraining Notification Act, as amended, (r) any federal,  
19 state or common law claim or cause of action based on any alleged failure to pay wages,  
20 breach of contract, wrongful discharge, constructive discharge, retaliation, defamation,  
21 slander, liable, intentional or negligent infliction of emotional distress, misrepresentation,  
22 fraud, promissory estoppel, (s) any other tort or negligence claim or obligations arising out of  
23 any of Defendant's employment policies or practices, employee handbooks, and/or any  
24 statements by any employee or agent of Defendant whether oral or written; and (t) for  
25 reinstatement, back pay, bonus, attorneys' fees, compensatory damages, costs, front pay, any  
26 form of equitable or declaratory relief, liquidated damages, emotional distress, personal  
27 injury, punitive damages, pain and suffering, medical expenses, damage to reputation,  
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1 damage for personal, emotional or economic injury or damage of any kind. This provision is  
2 intended by the Parties to be all-encompassing and to act as a full and total release of any  
3 claim, whether specifically enumerated herein or not, that Plaintiffs might have or have had,  
4 that exists or ever has existed on or prior to the date this Settlement Agreement is signed.  
5 This release by Plaintiffs Alvarado and Davis includes a 1542 Waiver which provides:

6 A general release does not extend to claims that the creditor or releasing  
7 party does not know or suspect to exist in his or her favor at the time of  
8 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.

9 12. The Parties understand and agree that the word “claims” includes all actions, group actions  
10 (including any pending or future collective, class, private attorney general or representative  
11 actions for which Plaintiffs may otherwise qualify as a putative class member or represented  
12 party), complaints and grievances that could potentially be brought by Plaintiffs against the  
13 Released Parties.

14 13. “Court” means the Superior Court of California for the County of Orange.

15 14. “Effective Date” means the date by which this Settlement is finally approved as provided  
16 herein and the Court’s Final Approval Order and Judgment becomes binding. For purposes of  
17 this Settlement Agreement, the Final Approval Order becomes binding upon the later of: (1)  
18 the day after the last day by which a notice of appeal of the Final Approval Order and/or of  
19 an order rejecting any motion to intervene may be timely filed, and none is filed; (2) if such  
20 an appeal is filed, and the final approval order is affirmed, the day after the last date for filing  
21 a request for further review of the appellate court’s decision passes and no further review is  
22 requested; (3) if an appeal is filed and further review of the appellate court’s decision  
23 affirming the final approval order is requested, the day after the request for review is denied  
24 with prejudice and/or no further review of the decision can be requested, or (4) if review is  
25 accepted, the day after the California Supreme Court affirms the Settlement. The Effective  
26 Date cannot occur, and Defendant will not be obligated to fund this Settlement, until and  
27 unless there is no possibility of an appeal or further appeal that could potentially prevent this  
28 Settlement Agreement from becoming final and binding.

1 15. "Response Deadline" means the final date by which a Class Member may either (i) request to  
2 be excluded from the Settlement by submitting a Request for Exclusion, (ii) object to the  
3 Settlement by submitting an Objection, or (iii) dispute the number of Workweeks attributed  
4 to them by submitting a Dispute. The Response Deadline shall be sixty (60) calendar days  
5 after the Mailed Notice Date, and shall be specifically identified and set forth in the  
6 Preliminary Approval Order and the Class Notice.

7 16. "Settlement Class Members" means all Non-Exempt Settlement Class Members and Salaried  
8 Settlement Class Members who do not opt-out out of this Settlement by submitting a Request  
9 for Exclusion.

10 17. "Final Approval Order and Judgment" means the Court's entry of an order finally approving  
11 this Settlement, which order shall be substantially in the form as the final approval order  
12 attached hereto as Exhibit C.

13 18. "Final Approval Hearing" means the hearing at or after which the Court will make a final  
14 decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, is  
15 finally approved by the Court.

16 19. "Salaried Class Claims" means all claims for wages, benefits and related penalties actually  
17 alleged or that could have been alleged in the Action by Plaintiffs, on behalf of themselves  
18 and the Salaried Class Members, based on the facts alleged in the FAC, including but not  
19 limited to: (1) Unpaid overtime (Cal. (Cal. Labor Code §510 and 1198); (2) Unpaid Meal  
20 Period Premiums (Cal. Labor Code §226.7 and 512(a)); (3) Unpaid Rest Period Premiums  
21 (Cal. Labor Code §226.7); (4) Final Wages Not Timely Paid (Cal. Labor Code §201 and  
22 202); (5) Wages Not Timely Paid During Employment (Cal. Labor Code §204); (6) Non-  
23 Compliant Wage Statements (Cal. Labor Code §226(a)); (7) Failure to Keep Requisite  
24 Payroll Records (Cal. Labor Code §1174(d)); (8) Unreimbursed Business Expenses (Cal.  
25 Labor Code §2800 and 2802); (9) Violation of California Business & Professions Code  
26 §17200; (10) penalties pursuant to PAGA (Cal. Labor Code §2698, *et seq.*; and (12)  
27 attorneys' fees and costs of litigation associated with this Action. "Salaried Class Claims"  
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1 also includes all claims that Plaintiffs and/or Salaried Class Members may have against the  
2 Released Parties relating to (i) the payment, taxation and allocation of the Class Counsel  
3 Award pursuant to this Settlement Agreement and (ii) the payment, taxation and allocation of  
4 Plaintiffs' Service Awards pursuant to this Settlement Agreement.

5 20. "Salaried Class Members" means all current and former employees who worked for  
6 Defendant in the State of California at any time during the Class Period while classified as a  
7 salaried, exempt employee and had one of the following job titles: Funder, Account  
8 Executive, Area Sales Manager, Assistant Sales Manager, Disclosure Supervisor, Paralegal,  
9 Technical Writer, Quality Control Specialist, Quality Control Auditor, Quality Assurance  
10 Specialist, Disclosure Supervisor, Investor Reporting Analyst, Learning and Development  
11 Specialist."

12 21. "Salaried Settlement Class Members" means all Salaried Class Members who do not opt out  
13 of this Settlement by submitting a Request for Exclusion.

14 22. "Salaried Settlement Class Members Released Claims" means the Salaried Class Claims, that  
15 the Salaried Settlement Class Members are fully and irrevocably releasing in exchange for  
16 the consideration provided by this Settlement Agreement, whether arising at law, in contract  
17 or in equity, and whether for economic or non-economic damages, restitution, injunctive  
18 relief, penalties or liquidated damages based on the factual allegations of the operative  
19 Complaint, arising during the Class Period.

20 23. "Individual Settlement Payment" means the amount payable from the Total Settlement  
21 Amount to each Non-Exempt Settlement Class Member and Salaried Settlement Class  
22 Member who does not opt out of this Agreement.

23 24. "Judgment" means the judgment to be entered in the Action on Final Approval of this  
24 Settlement.

25 25. "Mailed Notice Date" means the date of the initial mailing of the Class Notice to Class  
26 Members.

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26. “Net Distribution Fund” means the Total Settlement Amount, less the amount that the Court awards for: the Service Awards; the Class Counsel Award; the Settlement Administration Expenses; and the LWDA’s portion of the PAGA Payment. This amount is estimated to be \$498,365 (*i.e.*, The Total Settlement Amount of \$950,000 minus the proposed Service Awards (\$10,000 to each Plaintiff for a combined total of \$20,000), the proposed Class Counsel Award (consisting of attorneys’ fees of up to \$316,635 and reimbursement of litigation cost and expenses not to exceed \$30,000), the anticipated Settlement Administration Costs (currently estimated to be \$10,000) and the LWDA’s 75% portion of the PAGA Payment (*i.e.*, \$75,000, 75% of \$100,000). This estimated number will increase with the addition of any unawarded portions of the above requested allocations.

27. “PAGA Payment” means a total payment of \$100,000 to settle all claims under PAGA. From this amount, 75% (*i.e.*, \$75,000) will be paid to the LWDA and 25% (*i.e.*, \$25,000) will remain in the Net Distribution Fund. The PAGA payment shall be payable from the Total Settlement Amount.

28. “Plaintiffs” means Ruben Alvarado and Whitey Davis.

29. “Preliminary Approval Order” means the order granting preliminary approval of this Settlement Agreement, which shall be substantially in the form of the preliminary approval order attached hereto as Exhibit B.

30. “Released Parties” means (i) Citadel Servicing Corporation, and its past, present, and future parents, subsidiaries, affiliates, divisions, joint ventures, licensees, franchisees, and any other legal entities, whether foreign or domestic, and (ii) the past, present, and future shareholders, officers, directors, members, investors, agents, employees, consultants, representatives, fiduciaries, insurers, attorneys, legal representatives, predecessors, successors, and assigns of the entities listed in (i).

31. “Service Awards” means the amount approved by the Court to be paid to Plaintiffs, in addition to their respective Individual Settlement Payments. The Service Awards payable to Plaintiffs shall not exceed \$20,000 combined, allocated as \$10,000 to each Plaintiff, and shall

- 1 be payable from the Total Settlement Amount.
- 2 32. "Settlement," "Settlement Agreement" and "Agreement" mean the settlement of this Action
- 3 between and among Plaintiffs and CSC, as set forth in this document.
- 4 33. "Settlement Administrator" means Simpluris, Inc.
- 5 34. "Settlement Administration Expenses" means the maximum amount to be paid to the
- 6 Settlement Administrator, which shall not exceed \$10,000. All Settlement Administration
- 7 Expenses are to be paid exclusively from the Total Settlement Amount.
- 8 35. "Total Settlement Amount" means nine hundred and fifty thousand dollars (\$950,000), which
- 9 is the maximum amount that Defendant is obligated to pay under this Settlement Agreement
- 10 under any circumstances in order to resolve and settle this Action, subject to Court approval.
- 11 The Total Settlement Amount covers the Class Counsel Award, the Service Awards, the
- 12 Settlement Administration Expenses, the Individual Settlement Payments, all related interest,
- 13 and all employee-side payroll and employment taxes, and all tax expenses. The Total
- 14 Settlement Amount does not include employer-side payroll and employment taxes for wage
- 15 payments under this Agreement, which Defendant agrees to pay separately.
- 16 36. "Workweeks" means the number of weeks an individual worked for Defendant as a Non-
- 17 Exempt Class Member and/or a Salaried Class Member in the State of California during the
- 18 Class Period and will be calculated by counting the number of days between each
- 19 individuals' start and end dates during the Class Period divided by 7.
- 20 37. "Non-Exempt Workweeks" means Workweeks where the Class Member worked as an
- 21 hourly-paid or non-exempt employee.
- 22 38. "Salaried Workweeks" means Workweeks ,during which the Class Member had one of the
- 23 following job titles: job titles: Funder, Account Executive, Area Sales Manager, Assistant
- 24 Sales Manager, Disclosure Supervisor, Paralegal, Technical Writer, Quality Control
- 25 Specialist, Quality Control Auditor, Quality Assurance Specialist, Disclosure Supervisor,
- 26 Investor Reporting Analyst, Learning and Development Specialist.

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39. "Void Date" means the date by which any checks issued to Class shall become void, i.e. on the 181st day after mailing.

### III. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY

1. Certification Of Classes And Claims: Solely for the purposes of this Settlement, the Parties stipulate and agree that the Court will certify (i) subclasses comprised of the Non-Exempt Settlement Class Members with respect to the Non-Exempt Class Claims and the Salaried Settlement Class Members with respect to the Salaried Class Claims.
2. Appointment Of Class Representative: Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiffs shall be appointed as representatives of the Settlement Class Members.
3. Appointment Of Class Counsel: Solely for the purposes of this Settlement, the Parties stipulate and agree that Class Counsel shall be appointed as counsel for the Settlement Class Members.
4. Appointment Of Settlement Administrator: Solely for the purposes of this Settlement, the Parties stipulate and agree that Simpluris shall be appointed to serve as Settlement Administrator. The Settlement Administrator shall be responsible for: establishing a toll-free telephone number through which Non-Exempt Class Members and Salaried Class Members may make inquiries about the Settlement; establishing a website, which will have links to the Class Notice, the Settlement Agreement, and motion seeking final approval of the Class Counsel Award and the Service Awards; establishing a Post Office Box for receipt of Non-Exempt Class Members' and Salaried Class Members' communications; preparing, printing and mailing the Class Notice; receiving and reviewing Requests for Exclusion, Dispute, and Objections, if any, submitted by Non-Exempt Class Members and Salaried Class Members; calculating Individual Settlement Payments; calculating and paying any and all payroll tax or other required withholdings from the wage portion of the Individual Settlement Payments as required under this Settlement Agreement and applicable law; providing weekly status reports to CSC's Counsel and Class Counsel; providing a due diligence declaration for the

1 Court prior to the Final Approval Hearing; mailing Individual Settlement Payments to Non-  
2 Exempt Class Members and Salaried Class Members, the Service Awards to Plaintiffs, the  
3 Class Counsel Award to Class Counsel, and 75% of the PAGA Payment to the LWDA;  
4 printing and providing Plaintiffs, Class Counsel, Settlement Class Members with IRS Forms  
5 W-2 and/or 1099 as required under this Settlement Agreement and applicable law; providing  
6 a due diligence declaration for submission to the Court upon the completion of the  
7 Settlement; and for such other tasks as the Parties mutually agree. The Parties agree to  
8 cooperate in the Settlement administration process and to make all reasonable efforts to  
9 control and minimize Settlement Administration Expenses. The Parties each represent they  
10 do not have any financial interest in the Settlement Administrator or otherwise have a  
11 relationship with the Settlement Administrator that could create a conflict of interest.

12 5. Conditional Nature Of Stipulation For Certification: Solely for the purposes of this  
13 Settlement, the Parties stipulate and agree to the certification of the Non-Exempt Settlement  
14 Class Members with respect to the Non-Exempt Class Claims and the Salaried Settlement  
15 Class Members with respect to the Salaried Class Claims. Should for whatever reason the  
16 Settlement not become effective, the fact that the Parties were willing to stipulate to  
17 certification as part of the Settlement shall have no bearing on, and shall not be admissible in  
18 connection with, the issue of whether the Non-Exempt Class Members and/or the Non-  
19 Exempt Class Claims, the Salaried Class Members and/or the Salaried Class Claims should  
20 be certified in a non-Settlement context in this Action or in any other lawsuit. Defendant  
21 expressly reserves its right to oppose claim or class certification in this or any other action  
22 should this Settlement not become effective.

23 6. The Parties agree to stay all proceedings in the Action (including with respect to California  
24 Code of Civil Procedure section 583.310), except such proceedings necessary to implement  
25 and complete the Settlement, pending the Final Approval hearing to be conducted by the  
26 Court.

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7. The Settlement is not intended to and may not be deemed to affect the enforceability of any arbitration agreement between Defendant and Plaintiffs and/or between Defendant and any Non-Exempt Class Member and/or Salaried Class Member.

#### **IV. SETTLEMENT CONSIDERATION**

1. CSC's total monetary obligation under this Settlement is the Total Settlement Amount of nine hundred and fifty thousand dollars (\$950,000). This is an "all in" number that includes, without limitation, all monetary benefits and payments for the Settlement Class Members, the Service Awards, the Class Counsel Award, the Settlement Administration Expenses and the PAGA Payment, and all other claims for interest, fees, and costs. Under no circumstances shall CSC be required to pay anything more than the Total Settlement Amount, except that CSC will separately pay the employer-side payroll and employment taxes due for the wages payments made under this Agreement. In no event shall CSC be liable for making any payments under this Settlement, or for providing any relief to the Non-Exempt Settlement Class Members and/or the Salaried Settlement Class Members before the Effective Date of this Agreement.

2. Plaintiffs will have the unilateral right to rescind the Settlement Agreement following Preliminary Approval within five (5) business days of being informed of the size and scope of the Class, including the number of Workweeks based on the definition in this Agreement. In the event the Settlement Agreement is rescinded, the Parties will split any Settlement Administration Expenses incurred thus far evenly.

3. The Plaintiff and all Non-Exempt Settlement Class Members and/or Salaried Settlement Class Members who receive a payment of any kind from the Total Settlement Amount (including, in the case of the Plaintiffs their Service Awards) expressly agree to hold Plaintiffs, Class Counsel, Defendant, Defense Counsel and the Settlement Administrator harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payments under this Settlement.

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- 1 4. Plaintiffs agree not to pursue Service Awards on in excess of \$10,000 each. CSC agrees not  
2 to oppose Plaintiffs' application for such Service Awards. Any Service Award awarded by  
3 the Court shall be paid from the Total Settlement Amount. If the Court awards less than the  
4 full amount allocated towards the Service Awards, then the unawarded funds shall become  
5 part of the Net Distribution Fund.
- 6 5. Plaintiffs agree not to seek a Class Counsel Award from the Court consisting of attorneys'  
7 fees in excess of thirty-three and one-third percent (33.33%) of the Total Settlement Amount  
8 or reimbursement of litigation costs and expenses in excess of \$30,000. CSC agrees not to  
9 oppose a request for a Class Counsel Award in the aforementioned amounts. Any Class  
10 Counsel Award awarded by the Court shall be paid from the Total Settlement Amount. If the  
11 Court awards fees or costs in an amount less than the Class Counsel Award, the unawarded  
12 fees shall become part of the Net Distribution Fund.
- 13 6. The Settlement Administration Expenses shall not exceed \$10,000. The Settlement  
14 Administration Expenses shall be paid from the Total Settlement Amount. Any Settlement  
15 Administration Expenses not actually incurred by the Settlement Administrator shall become  
16 part of the Net Distribution Fund.
- 17 7. The Individual Settlement Payments shall be calculated from the Net Distribution Fund on a  
18 pro-rata basis based on Workweeks. Specifically:
- 19 a. The Settlement Administrator will multiply the Salaried Workweeks by two (2)  
20 ("Weighted Salaried Workweeks") and add to the number of Non-Exempt Workweeks,  
21 resulting in the "Total Weighted Workweeks."
- 22 b. The Settlement Administrator will then divide the Net Distribution Fund by all Total  
23 Weighted Workweeks in order to establish the value of each Weighted Salaried  
24 Workweek and Non-Exempt Workweek worked ("Weighted Workweek Value").
- 25 c. The Individual Settlement Payment to be made to each Settlement Class Member shall  
26 be calculated by multiplying the Weighted Workweek Value times the number of his or  
27 her Weighted Salaried Workweeks and Non-Exempt Workweeks.
- 28

- 1 8. The Settlement Administrator shall calculate the Individual Settlement Payments based on  
2 the Class Information provided to the Settlement Administrator by CSC. The Settlement  
3 Administrator shall allocate 20% of each Individual Settlement Payment as wages, which  
4 will be reported on an IRS form W-2 and the remaining 80% as penalties and interest, which  
5 will be reported on an IRS form 1099.
- 6 9. Settlement Class Members are not eligible to receive any compensation under this Settlement  
7 other than the Individual Settlement Payments discussed above.
- 8 10. Amounts paid to Plaintiffs and Settlement Class Members pursuant to this Settlement  
9 Agreement do not count as earnings or compensation for purposes of any benefits (*e.g.*,  
10 401(k) plans or retirement plans) sponsored by Defendant or the Released Parties.
- 11 11. In exchange for the consideration provided by Defendant, Plaintiffs, individually and on  
12 behalf of their heirs, estates, trustees, executors, administrators, representatives, agents,  
13 successors, and assigns, and anyone claiming through them or acting or purporting to act on  
14 their behalf, agree to provide a Complete and General Release to the Released Parties.
- 15 12. In exchange for the consideration provided by Defendant, upon the date on which the Total  
16 Settlement Amount is fully funded, the Non-Exempt Settlement Class Members, individually  
17 and on behalf of their heirs, estates, trustees, executors, administrators, representatives,  
18 agents, successors, and assigns, and anyone claiming through them or acting or purporting to  
19 act on their behalf, agree to forever release, discharge, hold harmless, and covenant not to sue  
20 each and all of the Released Parties for the Non-Exempt Settlement Class Members'  
21 Released Claims.
- 22 13. In exchange for the consideration provided by Defendant, upon the date on which the Total  
23 Settlement Amount is fully funded, the Salaried Settlement Class Members, individually and  
24 on behalf of their heirs, estates, trustees, executors, administrators, representatives, agents,  
25 successors, and assigns, and anyone claiming through them or acting or purporting to act on  
26 their behalf, agree to forever release, discharge, hold harmless, and covenant not to sue each  
27 and all of the Released Parties for the Salaried Settlement Class Members' Released Claims.  
28

14. Plaintiffs and Settlement Class Members agree that it is their intention to fully, finally, and forever to settle and release all matters and all claims with respect to the corresponding Non-Exempt Settlement Class Members Released Claims and the Salaried Settlement Class Members Released Claims.

15. That an individual is both a Non-Exempt Settlement Class Member and a Salaried Settlement Class Member shall in no way limit scope of the claims released by that individual.

**V. PROCEDURE FOR REQUESTING PRELIMINARY APPROVAL OF THE SETTLEMENT**

1. Upon execution of this Settlement Agreement, Plaintiffs shall submit a motion for preliminary approval of the Settlement to the Court. Plaintiffs' motion for preliminary approval shall ask the Court to enter a Preliminary Approval Order substantially in the form attached hereto as Exhibit B. Plaintiffs' motion and the [Proposed] Preliminary Approval Order shall also ask the Court to stay this action.

2. Plaintiffs shall submit the settlement to the California Labor and Workforce Development Agency at the same time they file motion for preliminary approval.

3. The Parties stipulate to the form of, and agree to submit to the Court for its consideration this Settlement Agreement, and the following Exhibits to this Settlement Agreement: the Class Notice (Exhibit A) and the [Proposed] Preliminary Approval Order (Exhibit B).

4. The Preliminary Approval Order shall:

a. Conditionally certify the Non-Exempt Class with respect to the Non-Exempt Class Claims and the Salaried Class with respect to the Salaried Class Claims;

b. Conditionally appoint Plaintiffs as representatives of the Non-Exempt Class and the Salaried Class and Class Counsel as counsel for the Non-Exempt Class and Salaried Class.

c. Appoint Simpluris, Inc. as the Settlement Administrator, and order the Settlement Administrator to provide notice of the settlement as outlined below;

d. Confirm that the procedure for distributing the Class Notice (discussed below) (i)

1 constituted the best practicable notice; (ii) constituted notice that was reasonably  
2 calculated, under the circumstances, to apprise Class Members of the pendency of the  
3 Action, and their right to exclude themselves from the settlement, dispute the number of  
4 Workweeks allocated to them, and/or object to the proposed settlement and to appear at  
5 the Final Approval Hearing; (iii) was reasonable and constituted due, adequate, and  
6 sufficient notice to all persons entitled to receive notice; and (iv) met all applicable  
7 requirements of due process, and any other applicable rules or law;

8 e. Confirm the notice of the settlement by Plaintiffs on the California Labor and Workforce  
9 Development Agency satisfies the requirements of PAGA.

10 f. Impose a stay on all litigation of the Action pending the Final Approval Hearing; and

11 g. Order that the preliminary approval of the Settlement, certification of the Non-Exempt  
12 Class Members with respect to the Non-Exempt Class Claims, the Salaried Class  
13 Members with respect to the Salaried Class Claims, and all actions associated with them,  
14 are undertaken on the condition that they shall be vacated if the Settlement Agreement is  
15 terminated or disapproved in whole or in part by the Court, or any appellate court and/or  
16 other court of review in which event the Settlement Agreement and the fact that it was  
17 entered into shall not be offered, received, or construed as an admission or as evidence  
18 for any purpose, including but not limited to an admission by any Party of liability or  
19 non-liability or of the certifiability of a litigation class or the appropriateness of  
20 maintaining a representative action.

21 5. The motion for preliminary approval shall request: that the Final Approval Hearing and any  
22 determination on the request for a Class Counsel Award and Service Awards be set no earlier  
23 than sixty-five (65) days after the Response Deadline; that Plaintiffs be permitted to file their  
24 motion for final approval no later than sixteen (16) court days before the Final Approval  
25 Hearing; that any Objections be submitted on or before the Response Deadline, and that any  
26 reply briefs on any Objections be filed seven (7) calendar days before the Final Approval  
27 Hearing.  
28

**VI. PROCEDURE FOR PROVIDING NOTICE OF SETTLEMENT**

1. No more than fourteen (14) calendar days after entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class Information for purposes of sending the Class Notice to the Class.
2. No more than thirty (30) calendar days after entry of the Preliminary Approval Order (i.e., the Mailed Notice Date), the Settlement Administrator shall send the Class Notice to the Class Members via U.S. Mail. using the mailing addresses in the Class Information updated against the National Change of Address database.
3. The Class Notice will inform Class Members that unless they file a request to be excluded from the Settlement: they will become Settlement Class Members; they will receive Individual Settlement Payments under the Agreement; they will be bound by the release of Non-Exempt Settlement Class Members Released Claims if they are Non-Exempt Class Members and Salaried Settlement Class Members Released Claims if they are Salaried Settlement Class Members.
4. The Class Notice will inform Class Members of their rights to request exclusion from the Settlement or to object to the Settlement and the procedures for doing so.
5. The Class Notice shall include a statement as to the number of Non-Exempt Workweeks and Salaried Workweeks attributable to each Class Member, as well as explanation for how the Workweeks will be used to calculate the Individual Settlement Payments and how to dispute the number of Workweeks attributed to him or her.
6. If any Class Notice mailed to any Class Member is returned, the Settlement Administrator shall make a good-faith attempt to obtain the most-current names and postal mail addresses for those individuals, including cross-checking the names and/or postal mail addresses it received from CSC with other appropriate databases (e.g., the National Change of Address Database) and performing further reasonable searches (e.g., such as a skip-trace search) for more-current names and/or postal mail addresses for those individuals and remail the returned Class Notice within three (3) calendar days of receipt. All Class Members' names

- 1 and postal mail addresses obtained through these sources shall be protected as confidential  
2 and not used for purposes other than the notice and administration of this Settlement. The  
3 address determined by the Settlement Administrator as the current mailing address shall be  
4 presumed to be the best mailing address for each Class Member.
- 5 7. If any Class Notice to a Class Member is returned to the Settlement Administrator with a  
6 forwarding address, the Settlement Administrator shall forward the postal mailing to that  
7 address.
- 8 8. In the event that any Class Notice is returned as undeliverable a second time, no further  
9 postal mailing shall be required. The Settlement Administrator shall maintain a log detailing  
10 the instances Class Notices are returned as undeliverable, re-mailed, and when applicable,  
11 returned again.
- 12 9. The Settlement Administrator will also host the Class Notice via a content-neutral settlement  
13 website managed by the Settlement Administrator, and approved by counsel for the Parties.
- 14 10. The Parties agree that the procedures set forth in this Section comply with the due process  
15 requirements of California Law, constitute reasonable and the best practicable notice under  
16 the circumstances, and constitute an appropriate and sufficient effort to locate current  
17 addresses for Class Members such that no additional efforts to do so shall be required. Any  
18 Class Members who fail to receive the Class Notice after these procedures have been  
19 followed will nonetheless be bound by this Settlement.
- 20 11. At least twenty-eight (28) days before the Final Approval Hearing, the Settlement  
21 Administrator shall provide a declaration of due diligence confirming: its dissemination of  
22 the Class Notice in accordance with the notice procedures of this Agreement; all attempts by  
23 the Settlement Administrator to locate Class Members; the number of delivered and  
24 undeliverable Class Notices; the number of Objections received (and copies of same); and  
25 the number of Requests for Exclusion received (but not copies of same). Class Counsel shall  
26 be responsible for filing the due diligence declaration with the Court.

27 ///

**VII. PROCEDURE FOR REQUESTING EXCLUSION**

1. Non-Exempt Class Members and Salaried Class Members who wish to exclude themselves from (or “opt out” of) the Settlement must submit timely, written request to be excluded from the Settlement (“Request for Exclusion”). To be effective, the Request for Exclusion must include: (1) the Class Member’s name, address, and telephone number; (2) the name and case number of this case; (3) a clear and unequivocal statement that the individual wishes to be excluded from the Settlement; and (4) the Class Member’s signature.
2. The Request for exclusion must be mailed to the Settlement Administrator at the address provided in the Class Notice and must be postmarked no later than the Response Deadline. The date of the postmark on the envelope containing the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Requests for Exclusion must be exercised individually by a Non-Exempt Class Member and/or Salaried Class Member. Attempted collective group, class, or subclass Requests for Exclusions shall be ineffective and disregarded by the Settlement Administrator.
3. The Settlement Administrator shall automatically notify Class Counsel and counsel for CSC if and when the number of valid, timely-submitted Requests for Exclusion reaches ten percent (10%) of the Class. If more than ten (10%) of the Class opt out of the Settlement, CSC at its sole and absolute discretion may elect to rescind and revoke the entire Settlement Agreement by sending written notice to Class Counsel that it revokes the Settlement within five (5) business days of receiving such notice from the Settlement Administrator. In the event the Settlement Agreement is rescinded, the Parties will split any Settlement Administration Expenses incurred thus far evenly.
4. All Non-Exempt Class Members and Salaried Class Members who do not opt out of the Settlement (i.e., Settlement Class Members) shall be bound by this Agreement, and all of their claims shall be dismissed with prejudice and released as provided for herein, even if they never received the Class Notice or other actual notice of this Settlement.
5. Plaintiffs Alvarado and Davis agree not to request exclusion from the Settlement.

**VIII. PROCEDURE FOR OBJECTING**

1. Any Non-Exempt Class Member or Salaried Class Member who excludes themselves from the Settlement will lack the standing to object to the Settlement. Class Members who wish to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement must mail to the Settlement Administrator (who shall forward it to Class Counsel and counsel for CSC) a timely written statement of the objection (“Objection”). To whatever extent the Court determines to consider objections from Class Members who do not provide a timely and valid Objection as described herein, for example by not providing a written objection, they may appear at the final approval hearing along with those who do comply and submit Objections to the Settlement Administrator.
2. In order to be timely, Objections and supporting papers must be mailed to the Settlement Administrator and postmarked no later than the Response Deadline. The date of the postmark on the envelope containing the objection shall be the exclusive means used to determine whether the written objection has been timely submitted.
3. A complete Objection must contain the following: (1) the objector’s full name, address, telephone, and signature; (2) a clear reference to the name and case number of the action; (3) a statement of the specific legal and factual basis for each objection argument; and (4) a statement whether the objector intends to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number.
4. Settlement Class Members who object to the proposed Settlement shall remain Settlement Class Members, respectively, and shall be deemed to have voluntarily waived their right to pursue an independent remedy against CSC and the Released Parties. To the extent any Settlement Class Member objects to the Settlement, and such objection is overruled in whole or in part, those Settlement Class Members will be forever bound by the Final Approval order and Judgment.

///

**IX. PROCEDURE FOR REQUESTING FINAL APPROVAL OF THE SETTLEMENT**

1. Sixteen (16) court days prior to the final approval hearing, Plaintiffs shall file a motion requesting final approval of the Settlement substantially in the form of the Final Approval Order attached as Exhibit C, the entry of which is a material condition of this Settlement.
2. The Final Approval Order shall adjudge that, among other things:
  - a. The Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement and that the Class Notice (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, and their right to exclude themselves from or object to the settlement and to appear at the Final Approval Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) met all applicable requirements of due process, and any other applicable rules or law.
  - b. The Settlement as fair, reasonable, and adequate;
  - c. Plaintiffs and Class Counsel may adequately represent the Settlement Class Members for the purpose of entering into and implementing the Agreement;
  - d. The Settlement Administrator is to execute the distribution of proceeds pursuant to the terms of this Agreement;
  - e. The Final Approval Order and Judgment of dismissal shall be final and entered forthwith;
  - f. Without affecting the finality of the Final Approval order and Judgment, the Court retains continuing jurisdiction over Plaintiffs, Defendant, the Settlement Class Members as to all matters concerning the administration, consummation, and enforcement of this Settlement Agreement;
  - g. As of the Final Approval Date, the Plaintiffs and Settlement Class Members, regardless of whether they have received actual notice of the Settlement, have conclusively compromised, settled, discharged, and provided: the Complete and General Release (in the case of Plaintiffs); the release of Non-Exempt Settlement Class Members Released

1 Claims (in the case of the Non-Exempt Settlement Class Members) and the release of the  
2 Salaried Settlement Class Members Released Claims (in the case of Salaried Settlement  
3 Class Members); against CSC and the Released Parties, and are bound by the provisions  
4 of this Settlement Agreement;

5 h. This Settlement Agreement and the Final Approval order and Judgment to be binding on,  
6 and have *res judicata* and preclusive effect in, all pending and future lawsuits or other  
7 proceedings that encompass Plaintiffs', Non-Exempt Settlement Class Members' and the  
8 Salaried Settlement Class Members', claims released herein, and that are maintained by  
9 or on behalf of Plaintiffs and Settlement Class Members;

10 i. The Settlement provided for herein, and any proceedings undertaken pursuant thereto, are  
11 not, and should not in any event be offered, received, or construed as evidence of, a  
12 presumption, concession, or an admission by any Party of liability or non-liability or of  
13 the certifiability or non-certifiability of a litigation class or collective, or that PAGA  
14 representative claims may validly be pursued; provided, however, that reference may be  
15 made to this Settlement in such proceedings as may be necessary to effectuate the  
16 provisions of this Settlement;

17 j. The Parties, without further approval from the Court, are authorized to agree to and adopt  
18 such amendments, modifications, and expansions of this Agreement, including all  
19 Exhibits hereto, as (i) shall be consistent in all material respects with the Final Approval  
20 order; (ii) do not limit the rights of Settlement Class Members; and (iii) contains such  
21 other and further provisions consistent with the terms of this Settlement Agreement to  
22 which the Parties expressly consent in writing.

23 3. At the Final Approval Hearing, Class Counsel may also request entry of an Order approving  
24 the Class Counsel Award and the Service Awards to Plaintiffs. Any such Class Counsel  
25 Award or Service Award shall be paid exclusively from the Total Settlement Amount. In no  
26 event shall any Released Party otherwise be obligated to pay for any attorneys' fees and  
27 expenses or Service Awards. The disposition of Class Counsel's application for a Class  
28

Counsel Award, and for Service Awards, is within the sound discretion of the Court and is not a material term of this Settlement Agreement, and it is not a condition of this Settlement Agreement that such application be granted. Any disapproval or modification of such application by the Court shall not (i) affect the enforceability of the Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement Agreement, or (iii) increase the consideration any Released Party pays in connection with the Settlement. Released Parties shall have no liability to Plaintiffs or Class Counsel arising from any claim regarding the division of any attorneys' fee/litigation cost award between and among Class Counsel.

**X. PROCEDURE FOR EXECUTING THE SETTLEMENT IF/WHEN IT BECOMES EFFECTIVE**

1. Within ten (10) calendar days following the Effective Date, CSC shall provide the Total Settlement Amount (\$950,000) to the Settlement Administrator.
2. Within twenty (20) calendar days following the Effective Date, the Settlement Administrator shall distribute Total Settlement Amount as follows:
  - a. Pay the costs and expenses incurred in connection with administering this Settlement, which shall not be more than \$10,000 (i.e., the Settlement Administration Expenses);
  - b. Subject to the approval and further order(s) of the Court, pay the Service Awards to Plaintiffs, which shall not be more than \$20,000 total, representing \$10,000 each to Plaintiff Alvarado and Plaintiff Davis;
  - c. Subject to the approval and further order(s) of the Court, pay the Class Counsel Award, which shall not be more than \$316,635;
  - d. Subject to the approval and further order(s) of the Court, distribute 75% of the PAGA Payment to the LWDA;
  - e. Subject to the approval and further order(s) of the Court, distribute the Individual Settlement Payments from the Total Settlement Amount for the benefit of the Settlement Class Members.

3. If any of the Individual Settlement Payments are not cashed after the Void Date, then within thirty (30) days after the Void Date, the Settlement Administrator shall void the checks and shall pay such unallocated and unclaimed funds to Community Legal Aid SoCal.
4. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties. Class Counsel shall file the declaration with the Court to confirm full satisfaction of the Settlement.
5. Settlement Class Members are not eligible to receive any compensation other than the Individual Settlement Payment under the Settlement.
6. The Individual Settlement Payments cashed shall be reported by the Settlement Administrator to the applicable governmental authorities on IRS Form 1099s (if required). The portions allocated to Service Awards shall likewise be reported on IRS Form 1099s by the Settlement Administrator. The Settlement Administrator shall be responsible for issuing copies of IRS Form 1099s for the Plaintiffs and Settlement Class Members.
7. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Plaintiffs and the Settlement Class Members are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard. Plaintiffs and the Settlement Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will hold Plaintiffs, Class Counsel, CSC, CSC's counsel and the Released Parties free and harmless from and against any claims resulting from the tax treatment of payments under this Agreement. Plaintiffs and the Settlement Class Members acknowledge and agree that no provision of this Settlement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

8. Payments and tax reporting by the Settlement Administrator in the manner described above shall be deemed conclusive of compliance with this Settlement Agreement as to all Settlement Class Members. No Non-Exempt Settlement Class Members and/or Salaried Settlement Class Members shall have any claim against the Plaintiffs, Class Counsel, CSC, CSC's counsel or the Settlement Administrator for distributions made substantially in accordance with this Settlement Agreement and/or orders of the Court. No Non-Exempt Settlement Class Members and/or Salaried Settlement Class Members shall have any claim against CSC, the Released Parties or CSC's counsel relating to distributions made under this Settlement.

#### **XI. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF SETTLEMENT AGREEMENT**

If the Court denies approval the Settlement as set forth in this Settlement Agreement, or if the Court enters the Judgment and appellate review is sought, and on such review, the entry of Judgment is vacated, modified in any way, or reversed, or if the Final Approval order does not otherwise become Final, then this Settlement Agreement shall be cancelled and terminated, unless all Parties, in their sole discretion within thirty (30) days from the date such ruling becomes final, provide written notice to all other Parties hereto of their intent to proceed with the Settlement under the terms of the Judgment as it may be modified by the Court or any appellate court.

In the event that: (i) the Settlement is denied, is overturned, or is materially modified by the Court or on appeal, (ii) the Judgment does not become Final, or (iii) this Settlement Agreement is terminated, cancelled, or fails to become effective for any reason, then: (a) the Parties stipulate and agree the Settlement, the Class Information, and all documents exchanged and filed in connection with the Settlement shall be treated as inadmissible mediation communications under Cal. Evid. Code §§ 1115 et seq., (b) the Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its terms shall be effective or enforceable, with the exception of this Paragraph, which shall remain effective and enforceable; (c) the Parties shall be

1 deemed to have reverted to their respective status prior to execution of this Agreement; (d) all  
2 Orders entered in connection with the Settlement, including the certification of the Non-Exempt  
3 Settlement Class Members and the Non-Exempt Class Claims, and the Salaried Settlement Class  
4 Members and the Salaried Class Claims, shall be vacated without prejudice to any Party's  
5 position on the issue of class certification, the issue of amending the complaint, or any other  
6 issue, in this Action or any other action, and the Parties shall be restored to their litigation  
7 positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed in  
8 all respects as if the Settlement Agreement and related documentation and orders had not been  
9 executed, and without prejudice in any way from the negotiation or fact of the Settlement or the  
10 terms of the Settlement Agreement. The Settlement, all documents, orders, and evidence relating  
11 to the Settlement, the fact of their existence, any of their terms, any statement or report  
12 concerning the Settlement Agreement, its existence, or their terms, any negotiations,  
13 proceedings, acts performed, or documents executed pursuant to or in furtherance of the  
14 Settlement Agreement shall not be admissible in any proceeding, and shall not be offered,  
15 received, or construed as evidence of a presumption, concession, or an admission of liability, of  
16 unenforceability of any arbitration agreement, of the certifiability of a litigation class, or  
17 otherwise used by any Person for any purpose whatsoever, in any trial of this Action or any other  
18 action or proceedings.

## 19 **XII. ADDITIONAL PROVISIONS**

20 The Class Notice is the approved method for communicating the Settlement to Non-  
21 Exempt Class Members and Salaried Class Members. Plaintiffs and Class Counsel will not issue  
22 any news media releases, initiate any contact with the news media, respond to any news media  
23 inquiry, post any information on a website (including social media), or have any other public  
24 communication about the Action or the fact, amount or terms of the Settlement.  
25 Notwithstanding the foregoing, nothing in this provision will prohibit Plaintiffs or Class Counsel  
26 from seeking approval of the Settlement, including but not limited to the online submission of  
27 the Settlement the LWDA through its website.  
28

1 All of the Exhibits to this Agreement are an integral part of the Settlement and are  
2 incorporated by reference as though fully set forth herein.

3 Unless otherwise noted, all references to “days” in this Agreement shall be to calendar  
4 days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal  
5 legal holiday, such date or deadline shall be on the first business day thereafter.

6 This Agreement supersedes all prior negotiations and agreements and may be amended or  
7 modified only by a written instrument signed by counsel for all Parties or the Parties’ successors-  
8 in-interest.

9 The Parties reserve the right, subject to the Court’s approval, to make any reasonable  
10 extensions of time that might be necessary to carry out any of the provisions of this Agreement.  
11 Such extensions must be in writing to be enforceable.

12 The Released Parties shall have the right to file the Settlement Agreement, the Final  
13 Approval Order and Judgment, and any other documents or evidence relating to the Settlement in  
14 any action that may be brought against them in order to support a defense or counterclaim based  
15 on principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar,  
16 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or  
17 counterclaim.

18 The Parties to the Settlement Agreement agree that the terms of the Settlement were  
19 negotiated at arm’s length and in good faith by the Parties, resulted from an arm’s-length  
20 mediation session facilitated by Steve Serratore, and reflect a settlement that was reached  
21 voluntarily based upon adequate information and sufficient discovery and after consultation with  
22 experienced legal counsel.

23 Plaintiffs, Class Counsel and Defendant have concluded that the Settlement set forth  
24 herein constitutes a fair, reasonable, and adequate resolution of the claims that the Plaintiffs  
25 asserted against CSC, including the claims on behalf of the Class Members, and that it promotes  
26 the best interests of the Class Members.

27 To the extent permitted by law, all agreements made and orders entered during the course  
28

1 of the Action relating to the confidentiality of information shall survive this Settlement  
2 Agreement.

3 The waiver by one Party of any breach of this Settlement Agreement by any other Party  
4 shall not be deemed a waiver of any other prior or subsequent breach of this Settlement  
5 Agreement.

6 This Settlement Agreement, including its Exhibits, constitutes the entire agreement  
7 among the Parties, and no representations, warranties, or inducements have been made to any  
8 Party concerning this Settlement Agreement or its Exhibits, other than the representations,  
9 warranties, and covenants contained and memorialized in this Settlement Agreement and its  
10 Exhibits.

11 This Settlement Agreement may be executed in one or more counterparts. All executed  
12 counterparts and each of them shall be deemed to be one and the same instrument provided that  
13 counsel for the Parties to this Settlement Agreement shall exchange among themselves original  
14 signed counterparts.

15 The Parties hereto and their respective counsel agree that they will use their best efforts  
16 to obtain all necessary approvals of the Court required by this Settlement Agreement.

17 This Settlement Agreement shall be binding upon and shall inure to the benefit of the  
18 successors and assigns of the Parties hereto, including any and all Released Parties and any  
19 corporation, partnership, or other entity into or with which any Party hereto may merge,  
20 consolidate, or reorganize.

21 This Settlement Agreement shall not be construed more strictly against one Party than  
22 another merely because of the fact that it may have been prepared by counsel for one of the  
23 Parties, it being recognized that because of the arm's-length negotiations resulting in the  
24 Settlement Agreement, all Parties hereto have contributed substantially and materially to the  
25 preparation of the Settlement Agreement.

26 Except where this Settlement Agreement itself provides otherwise, all terms, conditions,  
27 and Exhibits are material and necessary to this Settlement Agreement and have been relied upon  
28

1 by the Parties in entering into this Settlement Agreement.

2 This Settlement Agreement shall be governed by California law. This Paragraph relates  
3 solely to the law governing this Settlement Agreement and any action based thereon, and nothing  
4 in this Paragraph shall be construed as an admission or finding that California law applies to the  
5 Released Claims of any Plaintiff or Non-Exempt Settlement Class Member and/or Salaried  
6 Settlement Class Member who resides outside the State of California.

7 The Court shall retain continuing and exclusive jurisdiction over the Parties to this  
8 Settlement Agreement for the purpose of the administration and enforcement of this Settlement  
9 Agreement.

10 The headings used in this Settlement Agreement are for the convenience of the reader  
11 only, and shall not affect the meaning or interpretation of this Settlement Agreement.

12 In construing this Settlement Agreement, the use of the singular includes the plural (and  
13 vice-versa) and the use of the masculine includes the feminine (and vice-versa).

14 The Parties agree to all terms in the agreement.

15  
16 Dated: February 04, 2021

CITADEL SERVICING CORPORATION

17 By: [Signature]

18 Title:

KYLE GUNDERLOK  
CHIEF EXECUTIVE OFFICER

19 Dated: February \_\_, 2021

20  
21 By: \_\_\_\_\_

Ruben Alvarado  
Plaintiff

22 Dated: February \_\_, 2021

23 By: \_\_\_\_\_

Whitey Davis  
Plaintiff

by the Parties in entering into this Settlement Agreement.

This Settlement Agreement shall be governed by California law. This Paragraph relates solely to the law governing this Settlement Agreement and any action based thereon, and nothing in this Paragraph shall be construed as an admission or finding that California law applies to the Released Claims of any Plaintiff or Non-Exempt Settlement Class Member and/or Salaried Settlement Class Member who resides outside the State of California.

The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement for the purpose of the administration and enforcement of this Settlement Agreement.

The headings used in this Settlement Agreement are for the convenience of the reader only, and shall not affect the meaning or interpretation of this Settlement Agreement.

In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

The Parties agree to all terms in the agreement.

Dated: February \_\_, 2021

CITADEL SERVICING CORPORATION

By: \_\_\_\_\_

February 19, 2021

Title: \_\_\_\_\_

Dated: February \_\_, 2021

By: \_\_\_\_\_

Ruben Alvarado  
Plaintiff

Dated: February \_\_, 2021

By: \_\_\_\_\_

Whitey Davis  
Plaintiff

by the Parties in entering into this Settlement Agreement.

This Settlement Agreement shall be governed by California law. This Paragraph relates solely to the law governing this Settlement Agreement and any action based thereon, and nothing in this Paragraph shall be construed as an admission or finding that California law applies to the Released Claims of any Plaintiff or Non-Exempt Settlement Class Member and/or Salaried Settlement Class Member who resides outside the State of California.

The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement for the purpose of the administration and enforcement of this Settlement Agreement.

The headings used in this Settlement Agreement are for the convenience of the reader only, and shall not affect the meaning or interpretation of this Settlement Agreement.

In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

The Parties agree to all terms in the agreement.

Dated: February \_\_, 2021

CITADEL SERVICING CORPORATION

By: \_\_\_\_\_

Title:

Dated: February \_\_, 2021

By: \_\_\_\_\_

Ruben Alvarado  
Plaintiff

February 18, 2021

Dated: February \_\_, 2021

By: \_\_\_\_\_

Whitey Davis  
Plaintiff

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**Approved as to form:**

Dated: February 04, 2021

GORDON REES SCULLY MANSUKHANI, LLP

By: Joshua B. Wagner  
Mollie M. Burks  
Joshua B. Wagner  
Attorneys for Defendant  
CITADEL SERVICING CORPORATION

Dated: February \_\_, 2021

LAWYERS *for* JUSTICE, PC

By: \_\_\_\_\_  
Edwin Aiwarzian  
Danielle L. GruppChang  
Attorneys for Plaintiffs

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**Approved as to form:**

Dated: February \_\_, 2021

GORDON REES SCULLY MANSUKHANI, LLP

By: \_\_\_\_\_  
Mollie M. Burks  
Joshua B. Wagner  
Attorneys for Defendant  
CITADEL SERVICING CORPORATION

Dated: February \_\_, 2021

LAWYERS *for* JUSTICE, PC

By:  \_\_\_\_\_  
Edwin Aiwanian  
Danielle L. GruppChang  
Attorneys for Plaintiffs

# **Exhibit A**

**NOTICE OF CLASS ACTION SETTLEMENT**

***Ruben Alvarado, et al. v. Citadel Servicing Corporation***

Superior Court of California, County of Orange, Case No. 30-2019-01057617-CU-OE-CXC

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

*This Court authorized this notice. This is not a solicitation from a lawyer.*

A proposed class action settlement has been reached between the parties in the above-entitled case and preliminarily approved by the Court as described below. You have received this notice because Citadel Servicing Corporation's records indicate that you are one of the individuals who are in either the Non-Exempt Class or the Salaried Class and are entitled to participate in the Settlement. If you were employed by Citadel Servicing Corporation ("Defendant" or "Citadel"), as either: 1) an hourly-paid or non-exempt employee who worked for Defendant in the state of California at any time during the period from March 18, 2015 through [PA Date] ("Class Period"), or 2) an employee who worked for Defendant in the State of California at any time during the Class Period while classified as a salaried, exempt employee and had one of the following job titles: Funder, Account Executive, Area Sales Manager, Assistant Sales Manager, Disclosure Supervisor, Paralegal, Technical Writer, Quality Control Specialist, Quality Control Auditor, Quality Assurance Specialist, Disclosure Supervisor, Investor Reporting Analyst, Learning and Development Specialist, you may be eligible to receive a payment from the Settlement.

Your gross settlement payment is estimated to be approximately [INSERT payment amount].

Citadel's records indicate that:

You are a member of either the Non-Exempt Class and/or the Salaried Class (as defined on page 2) and worked a total of [INSERT # of Non-Exempt Workweeks] Non-Exempt Workweeks and [INSERT # of Salaried Workweeks] Salaried Workweeks (as defined on page 2).

The Settlement resolves a class action lawsuit entitled Alvarado, *et al.* v. Citadel Servicing Corporation, which was commenced by Plaintiff Alvarado on March 18, 2019, Orange County Superior Court, Case No. 30-2019-01057617 (the "Action"). Plaintiff Ruben Alvarado and Whitey Davis (collectively referred to as "Plaintiffs") allege Defendant violated the California Labor Code, California Business & Professions Code, and owes penalties under the California Private Attorneys' General Act, Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"). Defendant denies all allegations in the lawsuit and maintains it has fully complied with the law.

The parties have reached this Settlement to avoid the costs and risks of further litigation. The Settlement provides cash payments to Settlement Class Members based on his or her number of Workweeks (as described on page 2).

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT: |                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DO NOTHING</b>                                 | If you want to participate in the Settlement and receive your share of the Settlement proceeds then you should do nothing and do not request exclusion from the Settlement, and you will receive your Individual Settlement Payment. In return you will give up certain rights, and will be bound by the Settlement Agreement and the applicable Released Claims.      |
| <b>OBJECT</b>                                     | You may also object and tell the Court why you don't like the Settlement by submitting a written statement to the Settlement Administrator ("Objection") according to the instructions contained in this Notice. If the Court approves the Settlement despite your Objection, you will still be bound by the settlement and subject to the applicable Released Claims. |

## YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

### REQUEST EXCLUSION FROM THE SETTLEMENT

If you wish to be excluded from the settlement, you must submit a written request to be excluded to the Settlement Administrator (“Request for Exclusion”) according to the instructions contained in this Notice. If you submit a Request for Exclusion, you will not be bound by the Settlement (including, but not limited to the applicable Released Claims described under section 6) but you will not receive any payment under to the Settlement. You will also not be able to object to the Settlement.

- **Your options are more fully explained below. The deadline to submit an Objection, Request for Exclusion, and/or dispute to the number of Workweeks attributed to you (“Dispute”) is [INSERT – Deadline - 60 days from original mailing of notice].**

## 1. WHO IS IN THE CLASS AND SUBCLASSES?

Citadel’s records show that you are a member of at least one of the SUBCLASSES, which are defined as:

NON-EXEMPT CLASS MEMBERS: “All current and former hourly-paid or non-exempt employees who worked for Defendant in the state of California at any time during the Class Period.”

SALARIED CLASS MEMBERS: “All current and former employees who worked for Defendant in the state of California at any time during the Class Period as a salaried, exempt employee and had one of the following job titles: Funder, Account Executive, Area Sales Manager, Assistant Sales Manager, Disclosure Supervisor, Paralegal, Technical Writer, Quality Control Specialist, Quality Control Auditor, Quality Assurance Specialist, Disclosure Supervisor, Investor Reporting Analyst, Learning and Development Specialist.”

CLASS PERIOD: “the time period from March 18, 2015 through [PA DATE].”

## 2. WHY DID I RECEIVE THIS NOTICE?

Plaintiffs and Citadel have entered into the Stipulation of Settlement (“Settlement Agreement” or “Settlement”) that will, if finally approved by the Court, fully resolve this case. The Settlement Agreement sets forth the details of the Settlement. You may obtain a copy of the Settlement Agreement from either the Settlement Administrator or Class Counsel. The Settlement Agreement and other settlement-related documents are also available at [INSERT - website address]. The proposed Settlement Agreement has been submitted to the Court, and has been preliminarily approved for settlement purposes. The Court also appointed the law firms Lawyers for Justice, PC and Protection Law Group, LLP as Class Counsel to represent you and the Class.

As a Class Member, you are entitled to share in the funds available for Settlement of this Action. You are not being sued and you will not be individually responsible for any of the attorney’s fees or expenses of the litigation, as the Settlement requires those amounts to be paid from the Total Settlement Amount. Your rights will be affected by the Settlement Agreement described in this Notice whether you act or not.

Unless you submit a Request for Exclusion, you will become a Non-Exempt Settlement Class Member and/or Salaried Settlement Class Member. You will receive an Individual Settlement Payment under the Agreement; you will be bound by the release of Non-Exempt Settlement Class Members Released Claims and/or Salaried Settlement Class Member Released Claims.

The Court must finally approve the terms of the Settlement described below as fair and reasonable to the Settlement Class, before it will take effect. If approved, the Settlement will affect all Class Members who do not exclude themselves from the Settlement. The Settlement Administrator has been appointed by the Court and will make all approved settlement payments after final approval of the Settlement is granted and the Court orders them.

### 3. WHAT IS THIS CASE ABOUT?

Plaintiffs Reuben Alvarado and Whitey Davis, former employees of Defendant, have brought the Action. On [PA DATE], Plaintiffs filed the First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys' General Act, Cal. Labor Code § 2698, Et Seq. ("Operative Complaint" or "FAC").

Plaintiffs allege Defendant with respect to the Non-Exempt Class, Defendant failed to properly pay overtime and minimum wages, failed to provide complaint meal and rest periods and associated premium payments, failed to timely pay wages during employment and after termination, failed to provide compliant wage statements, failed to maintain requisite payroll records, failed to reimburse necessary business expenses, and therefore engaged in unfair business practices and owes penalties under the PAGA. Plaintiffs further allege with respect to the Salaried Class, Defendant misclassified them as exempt employees and therefore failed to properly pay overtime wages, failed to provide complaint meal and rest periods and associated premium payments, failed to timely pay wages during employment and after termination, failed to provide compliant wage statements, failed to maintain requisite payroll records, failed to reimburse necessary business expenses, and therefore engaged in unfair business practices and owes penalties under PAGA.

Defendant denies all allegations in the Action and maintains to have fully complied with the law. Defendant denies all the claims and contentions alleged in the Action and maintain they have fully complied with the law. The Court has not ruled on whether Defendant violated the law, but Plaintiffs and Defendant have agreed on the Settlement described herein.

### 4. WHAT ARE THE SETTLEMENT TERMS AND HOW MUCH CAN I EXPECT TO RECEIVE IF I PARTICIPATE?

#### a. Summary of Settlement Terms

Defendant will pay nine hundred and fifty thousand dollars (\$950,000) to settle the Action (the "Total Settlement Amount"). From the Total Settlement Amount, the following Court-approved payments will be made:

- attorney's fees in the amount of three hundred sixteen thousand six hundred thirty-five (\$316,335) (i.e., 33.33% of the Total Settlement Amount) and reimbursement of litigation costs and expenses not to exceed thirty thousand dollars (\$30,000) to Class Counsel (collectively referred to as the "Class Counsel Award");
- the costs of settlement administration not to exceed ten thousand dollars (\$10,000) to the Settlement Administrator ("Settlement Administration Expenses);
- payment to the California Labor and Workforce Development Agency ("LWDA") for its 75% portion of the one hundred thousand dollars (\$100,000) allocated toward penalties under PAGA (the "PAGA Payment");
- payment to the Plaintiffs Reuben Alvarado and Whitey Davis for their representation of the Classes in the amount of ten thousand dollars (\$10,000) each (the "Service Awards").

After deduction of these amounts, the remainder – the "Net Distribution Fund" – of approximately \$498,365 will be distributed to Non-Exempt Class Members and Salaried Class Members.

#### b. Calculation of Individual Class Member Payments

The amount you may receive from the Total Settlement Amount as a Non-Exempt Settlement Class Member and/or Salaried Settlement Class Member ("Individual Settlement Payment") (i.e. the amount you will receive if you do not submit a Request for Exclusion) will be calculated using the total number of workweeks you worked for Defendant during the Class Period (as defined above). The actual Individual Settlement Payment will vary depending on the number of Class Members that exclude themselves from the Settlement.

The Individual Settlement Payments paid to Class Members shall be calculated by the Settlement Administrator as follows:

- The Settlement Administrator will determine the following for each Class Member:
  - Workweeks: the number of weeks an individual worked for Defendant as a Non-Exempt Class Member and/or a Salaried Class Member in the State of California during the Class Period and will be

calculated by counting the number of days between each individuals' start and end dates during the Class Period divided by 7.

- Non-Exempt Workweeks: Workweeks where the Class Member worked as an hourly-paid or non-exempt employee.
- Salaried Workweeks” Workweeks, during which the Class Member was classified as a salaried, exempt employee and had one of the following job titles: Funder, Account Executive, Area Sales Manager, Assistant Sales Manager, Disclosure Supervisor, Paralegal, Technical Writer, Quality Control Specialist, Quality Control Auditor, Quality Assurance Specialist, Disclosure Supervisor, Investor Reporting Analyst, Learning and Development Specialist.
- The Settlement Administrator will multiply the Salaried Workweeks by two (2) (“Weighted Salaried Workweeks”) and add to the number of Non-Exempt Workweeks, resulting in the “Total Weighted Workweeks.”
- The Settlement Administrator will then divide the Net Distribution Fund by all Total Weighted Workweeks in order to establish the value of each Weighted Salaried Workweek and Non-Exempt Workweek worked (“Weighted Workweek Value”).
- The Individual Settlement Payment to be made to each Settlement Class Member shall be calculated by multiplying the Weighted Workweek Value times the number of his or her Weighted Salaried Workweeks and Non-Exempt Workweeks.

The Settlement Administrator shall allocate 20% of each Individual Settlement Payment as wages, which will be reported on an IRS form W-2 and the remaining 80% as penalties and interest, which will be reported on an IRS form 1099. Each Individual Settlement Payment will be reduced for employee's share of taxes due on the portion allocated to wages prior. Employee's share of taxes will be paid by Defendant separately and in addition to the Total Settlement Amount.

**c. Who will receive settlement payments?**

Any individual who is either a Non-Exempt Class Member and/or a Salaried Class Member (as defined on page 2) who has not submitted a timely Request for Exclusion (i.e., Non-Exempt Settlement Class Member or Salaried Settlement Class Member respectively) will receive an Individual Settlement Payment.

**d. How much can I expect to receive?**

Page 1 of this Notice states the estimated gross amount you may to receive if you participate in the Settlement. This amount is based on Defendant's employment records of your total number of Non-Exempt Workweeks and/or Settlement Workweeks worked (as defined on page 2).

Your actual Individual Settlement Payment amount may be reduced or increased, however, based on a variety of things such as, the number of Settlement Class Members or the number of Requests for Exclusion submitted, whether additional Class Members are identified or come forward, the amounts awarded by the Court, and the terms of the Court's anticipated final approval order.

**e. Service Awards to the Named Plaintiffs**

The Court has also preliminarily approved a payment of \$10,000 to Plaintiff Ruben Alvarado and \$10,000 to Plaintiff Whitey Davis as a Service Award. The Service Awards will be paid from the Total Settlement Amount. The Service Award is to compensate Plaintiff Ruben Alvarado and Plaintiff Whitey Davis for the risk incurred and time and efforts in assisting with the prosecution of the Action on behalf of the Class Members.

**f. Class Counsel Award to Class Counsel**

All payments for Class Counsel's attorney's fees and reimbursement of litigation costs and expenses (i.e., the Class Counsel Award) will be deducted from the Total Settlement Amount. Class Counsel will apply to the Court for final approval of the Class Counsel Award.

**g. Settlement Administration Costs**

The costs incurred by the Settlement Administrator in connection with administering the Settlement, such as providing Notice to the Class, receiving and determining Disputes, receiving and forwarding to the parties Requests for Exclusion and Objections received, if any, and calculating and distributing Individual Settlement Payments under

the terms of the Settlement Agreement as approved by the Court, will be paid from the Total Settlement Amount in an amount not to exceed \$10,000. The Settlement Administrator is:

Simpluris, Inc.

[INSERT contact information]

**h. Payment to the California Labor and Workforce Development Agency**

\$100,000 of the Total Settlement Amount will be allocated as penalties authorized by the PAGA (i.e., the PAGA Payment), of which 75% or \$75,000 will be paid to the LWDA and 25% or \$25,000 will remain in the Net Distribution Fund and be distributed to Settlement Class Members.

**i. All Payments Subject to Court Approval**

All of the payments listed above will be made if and only if the Court grants final approval of the Settlement Agreement based on its finding that the Settlement is reasonable, fair, and adequate for the Class. The above-listed payments may be adjusted by the Court.

**5. WHAT ARE MY OPTIONS?**

You may participate in the Settlement, in which case you need not take any action as this will occur automatically. Alternatively, you can request exclusion from the Settlement or object to the Settlement. The option you choose affects whether you will receive an Individual Settlement Payment and whether you give up certain rights. These options are also briefly summarized in the chart on the first page of this Notice.

**a. HOW DO I REQUEST TO BE EXCLUDED FROM THE SETTLEMENT?**

If you do not wish to participate in the Settlement, you may exclude yourself (“opt out”) by sending a Request for Exclusion to the Settlement Administrator. To be effective, the Request for Exclusion must include: (1) the Class Member’s name, address, and telephone number; (2) the name and case number of this Action (i.e., *Alvarado, et al. v. Citadel Servicing Corporation*, Orange County Case No. 30-2019-01057617); (3) a clear and unequivocal statement that the individual wishes to be excluded from the Settlement; and (4) the Class Member’s signature.

The Request for Exclusion must be completed and mailed to the Settlement Administrator as follows:

Alvarado, et al. v. Citadel Servicing Corporation

c/o Simpluris, Inc.

[INSERT]

[INSERT]

Any Class Member who submits a timely and complete Request for Exclusion shall, upon receipt, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no money from the Settlement. Any such person, at his/her own expense, may pursue any claims he/she may have against Defendant. However, there are deadlines to pursuing such claims, known as statutes of limitation. Please consult an attorney of your choice to ensure you are not forever barred from pursuing a claim if you decide to opt out of this Settlement.

**THE REQUEST FOR EXCLUSION MUST BE POSTMARKED NO LATER THAN [INSERT – DEADLINE – 60 DAYS FROM ORIGINAL MAILING OF NOTICE] IN ORDER TO BE TIMELY.**

**b. HOW DO I OBJECT TO THE SETTLEMENT?**

Any Non-Exempt Class Member or Salaried Class Member who excludes themselves from the Settlement will lack the standing to object to the Settlement. If you choose to object to the Settlement, you may represent yourself or hire your own attorney.

In order to be timely, Objections and supporting papers must be mailed to the Settlement Administrator and postmarked no later than [the Response Deadline]. The date of the postmark on the envelope containing the Objection shall be the exclusive means used to determine whether the written objection has been timely submitted.

A complete Objection must contain the following: (1) the objector’s full name, address, telephone, and signature; (2) a clear reference to the name and case number of the Action (i.e., *Alvarado, et al. v. Citadel Servicing Corporation*, Orange County Case No. 30-2019-01057617); (3) a statement of the specific legal and factual basis for each objection argument; and (4) a statement whether the objector intends to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number.

If you have not submitted , you have the right to address the Court at the hearing scheduled for **INSERT** – date/time of final approval hearing] before the Honorable Kirk H. Nakamura, Department CX103, California Superior Court, County of Orange, Central Justice Center (CJC), 700 Civic Center Drive West, Santa Ana, California 92701.

**IF THE COURT REJECTS YOUR OBJECTION AND APPROVES THE SETTLEMENT, YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT.**

**6. RELEASED CLAIMS -- WHAT WILL I GIVE UP IF I PARTICIPATE IN THE SETTLEMENT?**

Upon the date on which the Total Settlement Amount is fully funded, the Non-Exempt Settlement Class Members, individually and on behalf of their heirs, estates, trustees, executors, administrators, representatives, agents, successors, and assigns, and anyone claiming through them or acting or purporting to act on their behalf, agree to forever release, discharge, hold harmless, and covenant not to sue each and all of the Released Parties for the Non-Exempt Settlement Class Members’ Released Claims and the Salaried Settlement Class Members, individually and on behalf of their heirs, estates, trustees, executors, administrators, representatives, agents, successors, and assigns, and anyone claiming through them or acting or purporting to act on their behalf, agree to forever release, discharge, hold harmless, and covenant not to sue each and all of the Released Parties for the Salaried Settlement Class Members’ Released Claims.

**“Released Parties”** means (i) Citadel Servicing Corporation, and its past, present, and future parents, subsidiaries, affiliates, divisions, joint ventures, licensees, franchisees, and any other legal entities, whether foreign or domestic, and (ii) the past, present, and future shareholders, officers, directors, members, investors, agents, employees, consultants, representatives, fiduciaries, insurers, attorneys, legal representatives, predecessors, successors, and assigns of the entities listed in (i).

**“Non-Exempt Class Claims”** means all claims for wages, benefits and related penalties actually alleged or that could have been alleged in the Action by Plaintiffs, on behalf of themselves and the Non-Exempt Class Members, based on the facts alleged in the FAC, including but not limited to: (1) Unpaid overtime (Cal. Labor Code §510 and 1198); (2) Unpaid Meal Period Premiums (Cal. Labor Code §226.7 and 512(a)); (3) Unpaid Rest Period Premiums (Cal. Labor Code §226.7); (4) Unpaid Minimum Wages (Cal. Labor Code §1194, 1197 and 1197.1); (5) Final Wages Not Paid (Cal. Labor Code §201 and 202); (6) Wages Not Timely Paid During Employment (Cal. Labor Code §204); (7) Non-Compliant Wage Statements (Cal. Labor Code §226(a)); (8) Failure to Keep Requisite Payroll Records (Cal. Labor Code §1174(d)); (9) Unreimbursed Business Expenses (Cal. Labor Code §2800 and 2802); (10) Violation of California Business & Professions Code §17200; (11) penalties pursuant to PAGA (Cal. Labor Code §2698, et seq.; and (12) attorneys’ fees and costs of litigation associated with this Action. “Non-Exempt Class Claims” also includes all claims that Plaintiffs and/or Non-Exempt Class Members may have against the Released Parties relating to (i) the payment, taxation and allocation of the Class Counsel Award pursuant to this Settlement Agreement and (ii) the payment, taxation and allocation of Plaintiffs’ Service Awards pursuant to this Settlement Agreement.

**“Non-Exempt Settlement Class Members’ Released Claims”** means the Non-Exempt Class Claims that Non-Exempt Settlement Class Members are fully and irrevocably releasing in exchange for the consideration provided by this Settlement Agreement, whether arising at law, in contract or in equity, and whether for economic or non-economic damages, restitution, injunctive relief, penalties or liquidated damages based on the factual allegations of the Complaint, arising during the Class Period.

**“Salaried Class Claims”** means all claims for wages, benefits and related penalties actually alleged or that could have been alleged in the Action by Plaintiffs, on behalf of themselves and the Salaried Class Members, based on the facts alleged in the FAC, including but not limited to: (1) Unpaid overtime (Cal. (Cal. Labor Code §510 and 1198);

(2) Unpaid Meal Period Premiums (Cal. Labor Code §226.7 and 512(a)); (3) Unpaid Rest Period Premiums (Cal. Labor Code §226.7); (4) Final Wages Not Timely Paid (Cal. Labor Code §201 and 202); (5) Wages Not Timely Paid During Employment (Cal. Labor Code §204); (6) Non-Compliant Wage Statements (Cal. Labor Code §226(a)); (7) Failure to Keep Requisite Payroll Records (Cal. Labor Code §1174(d)); (8) Unreimbursed Business Expenses (Cal. Labor Code §2800 and 2802); (9) Violation of California Business & Professions Code §17200; (10) penalties pursuant to PAGA (Cal. Labor Code §2698, et seq.; and (12) attorneys’ fees and costs of litigation associated with this Action. “Salaried Class Claims” also includes all claims that Plaintiffs and/or Salaried Class Members may have against the Released Parties relating to (i) the payment, taxation and allocation of the Class Counsel Award pursuant to this Settlement Agreement and (ii) the payment, taxation and allocation of Plaintiffs’ Service Awards pursuant to this Settlement Agreement.

“**Salaried Settlement Class Members Released Claims**” means the Salaried Class Claims, that the Salaried Settlement Class Members are fully and irrevocably releasing in exchange for the consideration provided by this Settlement Agreement, whether arising at law, in contract or in equity, and whether for economic or non-economic damages, restitution, injunctive relief, penalties or liquidated damages based on the factual allegations of the operative Complaint, arising during the Class Period.

**7. WILL I BE SUBJECT TO DISCIPLINE BASED ON WHETHER I PARTICIPATE IN THE SETTLEMENT?**

Defendant is prohibited by law from retaliating in any way based on your decision to participate or not participate in the settlement. Your decision to participate, not participate, or object to this Settlement will not impact your employment with Defendant or Defendant’s treatment of you as a former employee.

**8. WHO ARE THE LAWYERS REPRESENTING THE PARTIES?**

Attorneys for Plaintiff and the Class:

Edwin Aiwazian  
Arby Aiwazian  
Danielle L. GruppChang  
**LAWYERS for JUSTICE, PC**  
**LLP**

410 West Arden Avenue, Suite 203  
Glendale, CA 91203  
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arby@calljustice.com  
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Attorneys for Defendants:

Mollie M. Burks  
Joshua B. Wagner

**GORDON REES SCULLY MANSUKHANI,**

633 West Fifth Street, 52<sup>nd</sup> Floor  
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Tel: 213-576-5000  
Email: mburks@grsm.com  
jwagner@grsm.com

Heather Davis  
Amir Nayebdadash  
**PROTECTION LAW GROUP, LLP**  
136 Main Street, Suite A  
El Segundo, California 90245  
Tel: (424) 290-3095 / Fax: (866) 264-7880  
Email: heather@protectionlawgroup.com  
amir@protectionlawgroup.com

**9. WHERE CAN I GET ADDITIONAL INFORMATION?**

This Notice only summarizes this Action, the Settlement, and related matters. You can obtain a copy of the Settlement Agreement and other settlement-related documents at the following website: [INSERT - website name.]

You may also contact the following court-appointed neutral third-party Settlement Administrator for more information:

**Reuben Alvarado, *et al.* v. Citadel Servicing Corporation**

**c/o Simpluris, Inc.**

**P.O. Box [insert]**

**[redacted], CA [redacted]**

**Toll Free Telephone Number: [insert]**

**10. FINAL APPROVAL HEARING**

The **California Superior Court, County of Orange** will hold a hearing in **Department CX103, California Superior Court, County of Orange, Central Justice Center (CJC), 700 Civic Center Drive West Santa Ana, CA 92701** on **[INSERT]** – Final approval hearing date/time] to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will be asked to approve the Class Counsel Award to Class Counsel and Service Awards to Plaintiffs. The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing unless you object to the proposed Settlement.

NOTICE: all court information, policies and procedures relating to the COVID-19 pandemic can be found online here: <https://www.occourts.org/media-relations/CoronaVirusUpdate.html>.

**PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT OR THE ADMINISTRATION PROCESS.**

# **Exhibit B**

Edwin Aiwarzian (SBN 232943)  
Arby Aiwarzian (SBN 269827)  
Joanna Ghosh (SBN 272479)  
Danielle L. GruppChang (SBN 313881)  
**LAWYERS for JUSTICE, PC**  
410 West Arden Avenue, Suite 203  
Glendale, California 91203  
Tel: (818) 265-1020 / Fax: (818) 265-1021

*Attorneys for Plaintiffs*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE**

RUBEN ALVARADO, individually, and on  
behalf of other members of the general public  
similarly situated; WHITEY DAVIS  
individually, and on behalf of other members  
of the general public similarly situated and on  
behalf of other aggrieved employees pursuant  
to the California Private Attorneys General  
Act;

Plaintiffs,

vs.

CITADEL SERVICING CORPORATION, a  
California corporation; and DOES 1 through  
100, inclusive,

Defendants.

Case No.: 30-2019-01057617-CU-OE-CXC

Honorable Kirk H. Nakamura  
Department CX103

**CLASS ACTION**

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

Complaint Filed: March 18, 2019  
FAC Filed: March 3, 2021

1 **ORDER**

2 The Court has reviewed and considered the Motion for Preliminary Approval of Class  
3 Action Settlement (“Motion for Preliminary Approval”) seeking approval of the Stipulation of  
4 Settlement (“Settlement” or “Settlement Agreement”) submitted by Plaintiffs Ruben Alvarado and  
5 Whitey Davis (collectively referred to as “Plaintiffs”) and Defendant Citadel Servicing  
6 Corporation (“Defendant” or “Citadel”) (Defendant and Plaintiffs are collectively the “Parties”).

7 With good cause appearing, and pursuant to the parties’ Settlement Agreement, the Court  
8 hereby ORDERS that:

9 1. The Court preliminarily approves the Settlement Agreement attached as “Exhibit  
10 A” to the Declaration of Edwin Aiwazian In Support Of Plaintiffs’ Motion for Preliminary  
11 Approval of Class Action Settlement. This is based on the court’s determination that the  
12 Settlement appears to be fair, adequate, and reasonable. This Order incorporates by reference the  
13 definitions in the Settlement Agreement and all terms defined therein shall have the same meaning  
14 in this Order as set forth in the Settlement Agreement;

15 2. The Court concludes that, for settlement purposes only, the Classes meet the  
16 requirements for certification under section 382 of the California Code of Civil Procedure in that:  
17 (a) the Classes are ascertainable and so numerous that joinder of all members of the Classes is  
18 impracticable; (b) common questions of law and fact predominate, and there is a well-defined  
19 community of interest amongst the members of the Classes with respect to the subject matter of  
20 the litigation; (c) Plaintiffs’ claims are typical of the claims of the members of the Classes; (d)  
21 Plaintiffs will fairly and adequately protect the interests of the members of the Classes; (e) a class  
22 action is superior to other available methods for the efficient adjudication of the controversy; and  
23 (f) Lawyers for Justice, PC and Protection Law Group, LLP (collectively “Class Counsel”) are  
24 qualified to act as counsel for Plaintiffs in their individual capacity and as the representative of the  
25 Classes.

26 3. The following Classes are conditionally certified:  
27 a. Non-Exempt Class: all current and former hourly-paid or non-exempt  
28 employees who worked or Defendant in the State of California at any time

1 during the time period from March 18, 2015 through the date of this Order;  
2 and

- 3 b. Salaried Class: all current and former employees who worked for Defendant  
4 in the State of California at any time during the time period from March 18,  
5 2015 through the date of this Order while classified as a salaried, exempt  
6 employee and had one of the following job titles: Funder, Account  
7 Executive, Area Sales Manager, Assistant Sales Manager, Disclosure  
8 Supervisor, Paralegal, Technical Writer, Quality Control Specialist, Quality  
9 Control Auditor, Quality Assurance Specialist, Disclosure Supervisor,  
10 Investor Reporting Analyst, Learning and Development Specialist.

11 4. The Non-Exempt Class is conditionally certified with respect to the Non-Exempt  
12 Class Claims and the Salaried Class is conditionally certified with respect to the Salaried Class  
13 Claims;

14 5. Plaintiffs are conditionally appointed as representatives of the Non-Exempt Class  
15 and the Salaried Class;

16 6. Simpluris, Inc. is appointed as the Settlement Administrator, and orders the  
17 Settlement Administrator to administer the Settlement as set forth in the Settlement Agreement  
18 and in accordance with the deadlines set forth below;

19 a. No later than fourteen (14) calendar days after entry of this Order,  
20 Defendant shall provide the Settlement Administrator with the Class  
21 Information.

22 b. No more than thirty (30) calendar days after entry of this Order, the  
23 Settlement Administrator shall mail the Class Notice to Non-Exempt Class  
24 Members and Salaried Class Members via U.S. Mail.

25 c. If any Class Notice is returned, the Settlement Administrator shall make a  
26 good-faith attempt to obtain the most-current names and postal mail  
27 addresses for those individuals, including cross-checking the names and/or  
28 postal mail addresses it received from Citadel with other appropriate

1 databases (e.g., the National Change of Address Database) and performing  
2 further reasonable searches (e.g., through Lexis/Nexis) for more-current  
3 names and/or postal mail addresses for those individuals within three (3)  
4 calendar days of receipt.

5 7. The Court approves, both as to form and content, the Notice of Class and  
6 Representative Action Settlement (“Class Notice”) attached hereto as “**EXHIBIT 1.**” Counsel for  
7 both Parties, subject to mutual agreement, may make changes to the Notice as necessary to  
8 administer the Settlement. The Court further finds that the procedure for distributing the Class  
9 Notice (discussed herein and in the Settlement Agreement) is (i) constituted the best practicable  
10 notice; (ii) constituted notice that is reasonably calculated, under the circumstances, to apprise  
11 Settlement Class Members of the pendency of the Action, and their right to exclude himself from  
12 or object to the proposed settlement and to appear at the Final Approval Hearing; (iii) is reasonable  
13 and constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and  
14 (iv) met all applicable requirements of California law, due process, and any other applicable rules  
15 or law;

16 a. The Class Notice will inform Non-Exempt Class Members that unless they  
17 submit a Request for Exclusion in accordance with the requirements set  
18 forth in the Class Notice: they will become Non-Exempt Settlement Class  
19 Members; they will receive Individual Settlement Payments under the  
20 Agreement; they will be bound by the release of Non-Exempt Settlement  
21 Class Members Released Claims.

22 b. The Class Notice will inform Salaried Class Members that unless they  
23 submit a Request for Exclusion in accordance with the requirements set  
24 forth in the Class Notice: they will become Salaried Settlement Class  
25 Members; they will receive Individual Settlement Payments under the  
26 Agreement; they will be bound by the release of Salaried Settlement Class  
27 Members Released Claims.

1                   c.     The Class Notice will inform Non-Exempt Class Members and Salaried  
2                             Class Members of their right to object to the Settlement and the procedure  
3                             for doing so.

4                   d.     The Class Notice shall include a statement as to the number of Workweeks  
5                             attributable to each Non-Exempt Class Member and Salaried Class  
6                             Member, an explanation for how the Workweeks will be used to calculate  
7                             the Individual Settlement Payments, and of the procedure for how to dispute  
8                             the number of Workweeks attributed to them.

9               8.     The Settlement Agreement submitted by Plaintiff Davis to the California Labor and  
10                   Workforce Development Agency satisfies the requirements of PAGA.

11               9.     All proceedings and all litigation of the Action is stayed pending the Final Approval  
12                   Hearing.

13               10.    The preliminary approval of the Settlement, certification of the Non-Exempt Class  
14                   Members and the Non-Exempt Class Claims, the Salaried Class Members and the Salaried Class  
15                   Claims, and all actions associated with them, are undertaken on the condition that they shall be  
16                   vacated if the Settlement Agreement is terminated or final approval of the Settlement is denied, or  
17                   any appellate court and/or other court of review in which event the Settlement Agreement and the  
18                   fact that it was entered into shall not be offered, received, or construed as an admission or as  
19                   evidence for any purpose, including but not limited to an admission by any Party of liability or  
20                   non-liability or of the certifiability of a litigation class or the appropriateness of maintaining a  
21                   representative action.

22               11.    A Final Approval Hearing shall be held before this Court on  
23                   \_\_\_\_\_ at \_\_\_\_\_ a.m./ p.m. in  
24                   Department CX103 of the Superior Court of California for the County of Orange, 751 West Santa  
25                   Ana Blvd., Santa Ana, California, 92701, to determine all necessary matters concerning the  
26                   Settlement, including: whether the proposed settlement of the action on the terms and conditions  
27                   provided for in the Settlement is fair, adequate, and reasonable and should be finally approved by  
28                   the Court; whether a judgment, as provided in the Settlement, should be entered herein; whether

1 the plan of allocation contained in the Settlement should be approved as fair, adequate, and  
2 reasonable to the Settlement Class Members; and determine whether to finally approve the requests  
3 for Class Counsel Award, Service Awards, and Settlement Administration Expenses.

4 12. Class Counsel shall file a motion for final approval of the Settlement and for Class  
5 Counsel Award, Service Awards, and Settlement Administration Expenses, along with the  
6 appropriate declarations and supporting evidence, including the Settlement Administrator's  
7 declaration, by \_\_\_\_\_, to be heard at the Final Approval  
8 Hearing.

9 **IT IS SO ORDERED.**

10  
11 Dated: \_\_\_\_\_, 2021

\_\_\_\_\_  
12 Hon. Kirk H. Nakamura  
13 Judge of the Superior Court  
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# **Exhibit C**

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8 SUPERIOR COURT OF CALIFORNIA –  
9 COUNTY OF ORANGE

10 RUBEN ALVARADO, individually, and on  
11 behalf of other members of the general  
12 public similarly situated; WHITEY DAVIS,  
13 individually, and on behalf of other members  
14 of the general public similarly situated and  
15 on behalf of other aggrieved employees  
16 pursuant to the California Private Attorneys  
17 General Act;

18 Plaintiffs,

19 vs.

20 CITADEL SERVICING CORPORATION, a  
21 California Corporation; and DOES 1 through  
22 100, inclusive,

23 Defendants.

CASE NO. 30-2019-01057617-CU-OE-  
CXC

*[Assigned to Hon. Kirk H. Nakamura,  
Dept. CX103]*

**CLASS ACTION**

**[PROPOSED] ORDER GRANTING  
FINAL APPROVAL OF CLASS  
ACTION SETTLEMENT AND  
JUDGMENT**

Complaint Filed: March 18, 2019  
FAC Filed: March 3, 2021

**ORDER**

24 The Court has reviewed and considered Plaintiff's Motion for Final Approval of Class  
25 Action Settlement, Attorneys' Fees Costs, and Service Awards ("Motion for Final Approval")  
26 seeking approval of the Stipulation of Settlement ("Settlement Agreement" and "Settlement")  
27 submitted by Plaintiffs Ruben Alvarado and Whitey Davis ("Plaintiffs") and Defendant Citadel  
28 Servicing Corporation ("Defendant" or "Citadel") (collectively "the Parties").

With good cause appearing, and pursuant to the parties' Settlement Agreement, the Court  
herby ORDERS that:

1. The Settlement Administrator has fulfilled its notice and reporting duties under the Settlement and that the Class Notice (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, and their right to exclude themselves from or object to the Settlement and to appear at the Final Approval Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) met all applicable requirements of California law, due process, and any other applicable rules or law.
2. The Settlement is fair, reasonable, and adequate;
3. Plaintiffs and Class Counsel adequately represent the Non-Exempt Class and the Salaried Class for the purpose of entering into and implementing the Agreement;
4. The Settlement Administrator is to execute the distribution of proceeds pursuant to the terms of the Settlement Agreement;
5. This Final Approval Order and Judgment is final and entered forthwith;
6. Without affecting the finality of the Final Approval order and Judgment, the Court retains continuing jurisdiction over Plaintiffs, Defendant, the Non-Exempt Settlement Class Members and the Salaried Settlement Class Members as to all matters concerning the administration, consummation, and enforcement of this Settlement Agreement;
7. As of the Final Approval Date, the Plaintiffs, Non-Exempt Settlement Class Members and the Salaried Settlement Class Members, and their legally authorized representatives, heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have received actual notice of the proposed Settlement, have conclusively compromised, settled, discharged, and provided: the Complete and General Release (in the case of Plaintiffs); the release of Non-Exempt Settlement Class Members Released Claims (in the case of the Non-Exempt

1 Settlement Class Members) and the release of the Salaried Settlement Class  
2 Members Released Claims (in the case of Salaried Settlement Class Members)  
3 against Citadel and the Released Parties, and are bound by the provisions of this  
4 Settlement Agreement;

5 8. This Settlement Agreement and the Final Approval Order and Judgment to be  
6 binding on, and have *res judicata* and preclusive effect in, all pending and future  
7 lawsuits or other proceedings that encompass Plaintiffs', Non-Exempt Settlement  
8 Class Members' and the Salaried Settlement Class Members' Released Claims  
9 released herein, and that are maintained by or on behalf of Plaintiffs, Non-Exempt  
10 Settlement Class Members and the Salaried Settlement Class Members and/or their  
11 heirs, estates, trustees, executors, administrators, principals, beneficiaries,  
12 representatives, agents, assigns, and successors, and/or anyone claiming through  
13 them or acting or purporting to act for them or on their behalf;

14 9. The Settlement provided for herein, and any proceedings undertaken pursuant  
15 thereto, are not, and should not in any event be offered, received, or construed as  
16 evidence of, a presumption, concession, or an admission by any Party of liability  
17 or non-liability or of the certifiability or non-certifiability of a litigation class or  
18 collective, or that PAGA representative claims may validly be pursued; provided,  
19 however, that reference may be made to this Settlement in such proceedings as may  
20 be necessary to effectuate the provisions of this Settlement;

21 10. The Parties, without further approval from the Court, are authorized to agree to and  
22 adopt such amendments, modifications, and expansions of this Agreement,  
23 including all Exhibits hereto, as (i) shall be consistent in all material respects with  
24 the Final Approval Order; (ii) do not limit the rights of Non-Exempt Settlement  
25 Class Members and Salaried Settlement Class Members; and (iii) contains such  
26 other and further provisions consistent with the terms of this Settlement Agreement  
27 to which the Parties expressly consent in writing.

28 **IT IS SO ORDERED.**

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Dated: \_\_\_\_\_, 2020

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Hon. Kirk H. Nakamura  
Judge of the Superior Court