

LAW OFFICES OF NATALIE MIRZAYAN

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Attorneys for Plaintiff
KALVYN ESCOBAR

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE, CIVIL COMPLEX CENTER**

KALVYN ESCOBAR, individually and on
behalf of all current and former similarly situated
employees in the State of California,

Plaintiff,

v.

PRIME FINANCE CONSULTING, INC., a
California Corporation; HANIEH JODAT, an
individual; SHAHIN JOUDAT, an individual,
and DOES 1 to 50, inclusive,

Defendants.

) CASE NO.: 30-2020-01134584-CU-OE-CXC

) ASSIGNED FOR ALL PURPOSES TO:

) HON. RANDALL J. SHERMAN

) **SUPPLEMENTAL DECLARATION OF**

) **NATALIE MIRZAYAN, ESQ. ISO**

) **MOTION FOR PRELIMINARY**

) **APPROVAL OF CLASS ACTION**

) **SETTLEMENT**

) Reservation Number: 73496347

) Date: April 9, 2021

) Time: 10:00 a.m.

) Courtroom: CX-105

) Complaint Filed: February 26, 2020

) FAC Filed: June 18, 2020

1 I, Natalie Mirzayan, declare as follows:

2 1. I am an attorney at law, duly authorized to practice law before all of the courts of the State of
3 California and I am the Principle of the Law Offices of Natalie Mirzayan. I am the attorney for
4 Plaintiff, Kalvyn Escobar ("Plaintiff") in this case. I submit this Declaration on behalf of the Plaintiff
5 in support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement and for
6 Provisional Class Certification for Settlement Purposes Only. I am familiar with the files,
7 pleadings, and facts in this case and could and would competently testify to the following facts on
8 the basis of my personal knowledge.
9

10 2. A true and correct of the Court's February 26, 2021 Order is attached hereto as Exhibit "1".

11 3. A true and correct copy of the Agreement and Addendum # 1 to Agreement is attached hereto
12 as Exhibits "2A-2B".

13 4. The red-lined version of the Agreement, tracking edits from the original Agreement, which
14 are implemented in the Addendum # 1 to Agreement, is attached hereto as Exhibit "3".
15

16 5. The Parties have amended the Agreement to resolve the ambiguity in paragraph 12(M)
17 relating to the Class size increase. Specifically, the Addendum #1 to Agreement states:

18 **Settlement Class, Class and Class Members.** For settlement purposes only, the Parties
19 agree to the certification of a class ("Class Members," "Class" or "Settlement Class")
20 pursuant to California Code of Civil Procedure section 382 defined as: All current and
21 former employees, who were employed by Defendants in the State of California during
22 the Class Period in the position of Student Loan Advisors, Student Loan Processors, or
23 similar positions. Defendants have identified that the Class size is approximately 32
24 employees. If, at the time of the Preliminary Approval, the Class size increases by more
25 than 10% (meaning 36 or more Class Members), Defendants agree to proportionally
26 increase the Gross Settlement Amount. For example, if at the time of the Preliminary
27 Approval, the Class size increases by 10% to 36 employees, Defendants must increase
28 the Gross Settlement Amount by 10% to \$209,000.00. If the Class size increases by 30%
to 42 Class Members, then Defendants must increase the Gross Settlement amount by
30% to \$247,000.00. Defendants shall pay the Gross Settlement Amount to the
Settlement Administrator within five (5) business days of the Settlement Effective Date.

6. The Parties amended paragraph 28 on p. 23 to address the Court’s concern regarding timeline for submitting the Administrator’s declaration prior to the Final Approval Hearing. Specifically, the Addendum #1 to Agreement states:

Proof of Class Members’ Responses. By not later than 75 calendar days after the initial mailing of the Notice of Class Action Settlement and Request for Exclusion, the Settlement Administrator will prepare and submit a declaration attesting to (by number of relevant individuals) its mailing of the Notice of Class Action Settlement, its inability to deliver any mailing due to invalid addresses, and its receipt of valid Requests for Exclusion.

7. The Parties amended paragraph 29 on p. 23 to comply with CRC Rule 3.769(h). Specifically, the Addendum #1 to Agreement states:

Binding Effect of Settlement. Although some Class Members might not receive or timely submit the Notice of Class Action Settlement or the Request for Exclusion, as provided under this Settlement and Agreement, due to inability to locate their current address following the procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the terms of this Settlement and Agreement and the Judgment made and entered by the Court with Prejudice.

8. A true and correct copy of the Class Notice (Exhibit “4”) and Request for Exclusion (Exhibit “5”) reflecting the corrections below are attached.

a. The typo in the Class Notice on p.1, has been corrected.

b. The Class Notice on p. 4, § 6 and ¶ 9 on pp. 16-17 of the Agreement have been changed from “will be permanently enjoyed and forever barred” to “will be barred as a matter of law.”

c. The Opt-out Form has been changed from “file this Request for Exclusion with Phoenix Class Action Administration Solutions” to “mail this Request for Exclusion to Phoenix Class Action Administration Solutions at [INSERT ADDRESS]. Phoenix Class Action Administration Solutions will insert the address prior to mailing of the Class Notice.

d. All references to Final Fairness and Approval Hearing in the Class Notice have been changed to “Final Approval Hearing”. Additionally, the time of the Final Approval Hearing has been added.

e. Both the Class Notice as well as the Agreement reflect that Aggrieved Employees in a PAGA action may not opt-out of a PAGA settlement and are bound by the PAGA release. Specifically, the Class Notice states in § 7(c):

The proposed settlement includes the settlement claims for civil penalties under PAGA. Class Members may not request exclusion from the Settlement of PAGA claims. Thus, if the Court approves this Settlement, then even if you request exclusion from the Settlement, you still will receive an Individual Settlement Share for the PAGA claims and will be deemed to have released the PAGA claims. A Request for Exclusion will preserve your right to individually pursue only the remaining class claims.

The Agreement states in ¶22, page 21:

However, because the proposed Settlement includes the settlement of claims for civil penalties under PAGA, Class Members may not request exclusion from the Settlement of PAGA claims. Thus, if the Court approves this Settlement, and even if a Class Member submits a Request for Exclusion from the Settlement, the Class Member will receive an Individual Settlement Share for the PAGA claims only and will be deemed to have released the PAGA claims. A Request for Exclusion will only preserve a Class Member's right to individually pursue only the remaining Released Claims.

9. On March 24, 2021, I notified the Labor and Workforce Development Agency ("LWDA") of the Preliminary Approval Hearing set for April 9, 2021 by electronically submitting the following documents:

- 1) JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE OF CLAIMS, INCLUDING ADDENDUM # 1;
- 2) SUPPLEMENTAL BRIEF IN SUPPORT OF JOINT MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT;
- 3) SUPPLEMENTAL DECLARATION OF NATALIE MIRZAYAN, ESQ. ISO MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT.

A true and correct copy of the online submission form titled "Proposed Settlement of PAGA Case" reflects, in the "Proposed Settlement and Other Documents" section, the documents uploaded with the online submission form (i.e., documents 1-3 above) is attached hereto as Exhibit "6".

10. Following the online submission, I received an auto-reply e-mail from the LWDA's DIR PAGA Unit confirming receipt of the online submission, which included the documents uploaded (1-3 above), attached hereto as Exhibit "7".

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I declare under penalty of perjury under the laws of the State of California that the forgoing is true and correct this 24th day of March 2021, at Foothill Ranch, California.

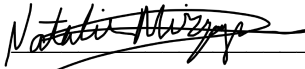

Natalie Mirzayan

EXHIBIT 1

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF ORANGE
CIVIL COMPLEX CENTER**

MINUTE ORDER

DATE: 02/26/2021 TIME: 10:00:00 AM DEPT: CX105

JUDICIAL OFFICER PRESIDING: Randall J. Sherman

CLERK: Jason Phu

REPORTER/ERM:

BAILIFF/COURT ATTENDANT: Jose F Boc

CASE NO: **30-2020-01134584-CU-OE-CXC** CASE INIT.DATE: 02/26/2020

CASE TITLE: **Escobar vs. Prime Finance Consulting, Inc.**

CASE CATEGORY: Civil - Unlimited CASE TYPE: Other employment

EVENT ID/DOCUMENT ID: 73458601

EVENT TYPE: Motion for Approval of Class Settlement

MOVING PARTY: Kalvyn Escobar

CAUSAL DOCUMENT/DATE FILED: Motion - Other for preliminary approval of class action settlement, 01/27/2021

APPEARANCES

No Appearance by all parties

Tentative Ruling posted on the Internet .

There are no appearances by any party.

Prior to calendar call, all parties submit on the Court's tentative ruling.

The Court confirms the tentative ruling as follows:

The Court continues the hearing on plaintiff's Motion for Preliminary Approval of Class Action Settlement to April 9, 2021 at 10:00 a.m. Counsel must file supplemental papers addressing the court's concerns (not fully revised papers that would have to be re-read) at least 16 days before the next hearing date. Counsel should submit an amendment to the settlement agreement rather than any amended settlement agreement. Counsel also should provide a red-lined version of any revised papers, including the class notice.

Paragraph 12(M) of the settlement agreement is ambiguous. Must the settlement amount be increased if there are more than 32 class members, or if the number of class members increases by at least 10% over 32, meaning 36 or more class members? Clarification is required.

Paragraph 28 of the settlement agreement on p. 23 provides that 16 calendar days before the Final Approval Hearing the Administrator will prepare a supplemental declaration with the number of valid timely claims, objections, and opt out requests. By contrast, paragraph 19 of the settlement agreement on p. 20 provides a deadline of 45 days before the Final Approval Hearing. Since the court will require the Administrator's declaration to be filed at least 16 calendar days before the Final Approval Hearing date, and be served in compliance with CCP notice of motion requirements, ¶28 provides insufficient time for compliance.

Paragraph 29 of the settlement agreement on p. 23 references a “Final Order and Dismissal with Prejudice”. This provision ignores CRC Rule 3.769(h), which requires that when the court approves a class action settlement, the court must make and enter judgment.

The parties must fix the typo in the class notice on p. 1, in the 2nd paragraph, on line 4, and change “others similarly situated current and former employees” to “other similarly situated current and former employees”.

The court will not issue a permanent injunction against class members. Res judicata and collateral estoppel arguments should provide defendants with sufficient protection against facing these same claims again. Thus, in the class notice on the top of p. 4, at the end of §6, the parties must change “will be permanently enjoined and forever barred” to “will be barred as a matter of law”.

In the opt-out form, near the middle of the page, the parties must change “file this Request for Exclusion with Phoenix Class Action Administration Solutions” to “mail this Request for Exclusion to Phoenix Class Action Administration Solutions at [insert address]”.

The references in the class notice on p. 5, in §§7(d) and 9, to the “Final Fairness and Approval Hearing” or the “Fairness Hearing” must be changed to the “Final Approval Hearing”.

The time for the Final Approval Hearing, 10:00 a.m., must be included in the class notice, at a minimum in §9.

Aggrieved employees in a PAGA action may not opt out of a PAGA settlement, and are bound by the PAGA release. Thus, in an action asserting both class and PAGA claims, employees may opt out only from participating in the settlement of the class claims, not the settlement of the PAGA claims. As a result, the parties here must include class members who opt out to still be part of the PAGA portion of the settlement. In addition, the parties must modify the class notice to reflect that fact, and insert language in the class notice in substantially the following form: “The proposed settlement includes the settlement of claims for civil penalties under PAGA. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves this settlement, then even if you request exclusion from the settlement, you still will receive an individual settlement share for the PAGA claims and will be deemed to have released the PAGA claims. A request for exclusion will preserve your right to individually pursue only the remaining class claims.”

The Status Conference set for May 20, 2021 is ordered off calendar.

Plaintiff is ordered to give notice of the ruling to defense counsel.

EXHIBIT 2A

1 **LAW OFFICES OF NATALIE MIRZAYAN**

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4 Foothill Ranch, California 92610
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5 Attorneys for Plaintiff
6 KALVYN ESCOBAR

7 **MIRHOSSEINI LAW GROUP**

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ali@armlaw.net
tina@armlaw.net

11 Attorneys for Defendants
12 PRIME FINANCE CONSULTING, INC., HANIEH
13 JODAT, and SHAHIN JOUDAT

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **COUNTY OF ORANGE, CIVIL COMPLEX CENTER**
16

17 KALVYN ESCOBAR, individually and on	)	CASE NO.: 30-2020-01134584-CU-OE-CXC
18 behalf of all current and former similarly situated	)	
19 employees in the State of California,	)	ASSIGNED FOR ALL PURPOSES TO:
	)	HON. RANDALL J. SHERMAN
20 Plaintiff,	)	
	)	STIPULATION FOR CLASS ACTION
21 v.	)	SETTLEMENT
	)	
22 PRIME FINANCE CONSULTING, INC., a	)	Complaint Filed: February 26, 2020
23 California Corporation; HANIEH JODAT, an	)	FAC Filed: June 18, 2020
individual; SHAHIN JOUDAT, an individual,	)	
24 and DOES 1 to 50, inclusive,	)	
	)	
	)	
25 Defendants.	)	
26 _____	)	

INTRODUCTION AND RECITALS

1. This Stipulation for Class Action Settlement (“Stipulation” or “Agreement”) is made by and between the plaintiff Kalvyn Escobar (“Plaintiff” or “Escobar”), on behalf of himself and all members of the Settlement Class, as defined below, on the one hand, and defendant Prime Finance Consulting (“PFC”), Hanieh Jodat (“Jodat”), and Shahin Joudat (“Joudat”) (collectively “Defendants”) on the other hand, in the matter entitled *Kalvyn Escobar v. Prime Finance Consulting, et al.*, Orange County Superior Court Case No. 30-2020-01134584-CU-OE-CXC. (Plaintiff and Defendants are each a “Party” and together the “Parties”).

2. On February 26, 2020, Plaintiff filed a Class Action Complaint against Defendants, *inter alia*, for failure to pay overtime wages and minimum wage, as a result of misclassifying employees as independent contractors; failure to provide rest breaks and meal breaks or payment of compensation in lieu thereof; waiting time penalties for failure to timely pay wages of terminated or resigned employees; failure to furnish and maintain accurate payroll records; and unfair business practices in violation of Business & Professions Code § 17200, et seq. On June 18, 2020, Plaintiff filed a First Amended Class Action Complaint, (“FAC”) alleging the same claims and adding a claim for violation of California Private Attorney General Act (“PAGA”), Labor Code § 2699, *et seq.* The initial Class Action Complaint and the FAC will be collectively referred to as the “Action” or “Litigation.”

3. Defendants have denied and continue to deny each of the claims and contentions alleged by Plaintiff in the Litigation, including but not limited to the allegations that: Defendants misclassified Plaintiff and Members of the Class as independent contractors; failed to pay overtime and minimum wages; failed to provide rest breaks and meal breaks; failed to provide accurate wage statements; failed to timely pay all wages earned at termination or resignation; engaged in any unlawful, unfair or fraudulent business practices or wrongful conduct; or engaged in any conduct that would subject Defendants to any penalties under PAGA as alleged in the Litigation.

4. For settlement purposes only, the Parties agree that the settlement class of “Class

1 Members” is defined as set forth in § 12(M), herein. By this Stipulation, the Parties expressly state
2 their desire to settle claims and allegations raised by Plaintiff and Class Members in the Litigation.
3 The effective date of the settlement is the “Settlement Effective Date” as that term is defined in this
4 Stipulation. If for any reason the settlement is not approved by the Court, this Stipulation shall
5 become null and void and will be of no force or effect.

6 5. Plaintiff and Class Members contend that Defendants have violated California wage
7 and hour laws, as described herein, and that this case is appropriate for class certification.
8 Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the
9 Litigation, and further deny that this Action is appropriate for class treatment for any purpose other
10 than settling this Litigation. Defendants contend, among other things, that they complied at all times
11 with the California Labor Code, applicable California Wage Orders and the California Business and
12 Professions Code.

13 6. After the commencement of the Litigation, the Parties engaged in an informal
14 investigation and exchange of information and documents pertaining to the Covered Claims (as that
15 term is defined below). Based on the available records, Class Counsel (as that term is defined in
16 this Stipulation) and Defendants’ counsel diligently pursued a detailed and comprehensive
17 investigation of Class Members’ claims against Defendants, including (a) analysis of available
18 records, and other related policies pertaining to the claims alleged in the Litigation; (b) identification
19 of approximately 32 Class Members in the Litigation by Defendants, including an analysis of the
20 total number of workweeks and average hourly wages paid to the Class Members; (c) research of
21 the applicable law and potential defenses; and (e) consideration of information disclosed. The
22 Parties have performed a thorough study of the law relating to the claims alleged in the Litigation
23 and based on that investigation and discovery, and taking into account the heavily contested issues,
24 the expense and time necessary to pursue prosecution and defense of the Litigation through trial, the
25 risks and costs of further prosecution of the Litigation, the uncertainty of complex litigation, the
26 fairness and reasonableness of the settlement agreed to by the Parties, and the best interest of the
27 Class Members to whom substantial benefits will accrue, the Parties have agreed to the settlement
28

1 described in this Stipulation.

2 7. The Parties engaged in arms-length negotiations, and based on the documents
3 provided by Defendants, the Parties were able to evaluate a realistic settlement range. Through
4 continued engagement in good faith settlement negotiations, the Parties were able to eventually
5 reach a settlement of the Litigation. Specifically, the Parties agreed to settle the Litigation and seek
6 court approval of the settlement. The Parties recognize that absent settlement, the issues presented
7 in the Litigation would likely have been contested with extensive and costly pretrial, motion and
8 trial proceedings, and that further litigation would cause inconvenience, distraction, disruption,
9 delay and expense disproportionate to the potential benefits of litigation.

10 8. Nothing contained in this Stipulation, including its existence, shall be construed or
11 deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of
12 Defendants. Nothing in this Stipulation shall constitute an admission by Defendants – except for
13 settlement purposes that the Litigation was properly brought as a class or representative action.
14 Settlement of the Litigation, the negotiation and execution of this Stipulation, and all acts performed
15 or documents executed pursuant to or in furtherance of this Agreement or the settlement: (i) are not,
16 shall not be deemed to be, and may not be used, as an admission or evidence of any wrongdoing or
17 liability on the part of Defendants or of the truth of any factual allegations in the Litigation; (ii) are
18 not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or
19 omission on the part of Defendants in any civil or administrative proceeding in any court,
20 administrative agency or other tribunal; and (iii) are not, shall not be deemed to be, and may not be
21 used as, an admission or evidence of the appropriateness of these or similar claims for class
22 certification or administration other than for purposes of administering this Stipulation.

23 9. Based on the available record, and their own independent investigation and
24 evaluations, counsel for Plaintiff and the Class Members are of the opinion that the settlement for
25 the consideration and on the terms set forth in this Stipulation are fair, reasonable and adequate and
26 in the best interest of the Plaintiff and Class Members in the light of all known facts, circumstances
27 and risks inherent in litigation, including potential appellate issues.

10. The purpose of this Stipulation is to settle and compromise the Covered Claims alleged by Plaintiff and Class Members against Defendants and the Released Parties (as defined below), the claims described herein, and the wage and hour claims which arise out of the factual allegations in the Litigation for the time period February 26, 2016, through the date of Preliminary Approval (the “Class Period”).

11. It is agreed by and among Plaintiff and Defendants that this Litigation and the damages, injunctions, remedies, penalties and interest arising out of the Litigation be settled and compromised as between Plaintiff and Class Members and Defendants, subject to the terms and conditions set forth in this Stipulation and the preliminary and final approval of the Court, with judgment entered in accordance with such order of final approval.

DEFINITIONS

12. In addition to the terms previously defined above, the terms below have the following meanings, with the understanding that the definitions will have no meaning or effect if the settlement is not approved by the Court:

A. **Administrative Costs.** All administrative costs of settlement, including cost of notice to the Settlement Class, claims administration (including preparation of required tax reporting forms and withholding of required taxes), and any fees and costs included or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation, shall not exceed the total amount of \$3,000.00.

B. **Agreement.** The terms “Agreement” or “Settlement Agreement” are used synonymously herein to mean this Stipulation.

C. Class Counsel. The term “**Class Counsel**” as used herein means the Law Offices of Natalie Mirzayan, and its lawyers, specifically including but not limited to Natalie Mirzayan, Esq., who is counsel for and acting on behalf of Plaintiff and the Settlement Class. The term “Class Counsel” shall be used synonymously with the term “Plaintiff’s Counsel.”

D. **Defendant.** The term “Defendants” as used herein means defendants Prime Finance Consulting (“PFC”), Hanieh Jodat (“Jodat”), and Shahin Jodat (“Jodat”) (collectively

1 “Defendants”).

2 E. **Employer Taxes and Employee Taxes.** “Employer Taxes” are taxes and
3 contributions imposed on the wage portions of the Net Settlement Payments, under the Federal
4 Insurance Contribution Act (“FICA”), including Social Security and Medicare contributions, the
5 Federal Unemployment Tax Act, and any similar state and local taxes and contributions required of
6 employers, such as for unemployment insurance, which are paid by the employer in addition to the
7 gross amount paid on an employee’s paycheck. “Employee Taxes” are state and federal income
8 taxes, employee shares of FICA contributions, and any other federal, state and local taxes (including
9 State Disability Insurance and Paid Family Leave contributions) on the wage portions of the Net
10 Settlement Payments, which are withheld from the gross amount paid on an employee’s paycheck.

11 F. **Litigation.** The term “Litigation” as used herein means the allegations set forth by
12 Plaintiff against Defendants in the Class Action Complaint and FAC as described in paragraph 2 of
13 this Stipulation and shall be used synonymously with the term “Action.”

14 G. **Plaintiff.** The term “Plaintiff” as used herein means Plaintiff Kalvyn Escobar.

15 H. **Net Settlement Amount.** The term “Net Settlement Amount” as used herein means
16 the amount of funds available for distribution to the Settlement Class after deducting from the Gross
17 Settlement Amount (as defined herein) the following amounts: (i) the attorneys’ fees and costs
18 awarded to Class Counsel; (ii) the fees and costs awarded to the Settlement Administrator; (iii) the
19 enhancement award to Plaintiff as provided herein; (iv) the PAGA payment to the LWDA as
20 provided herein; and (v) the payments by the Settlement Administrator for the Employer Taxes.
21 From the Net Settlement Amount, as described herein, Net Settlement Payments (as that term is
22 defined herein) will be distributed by the Settlement Administrator to Class Members as more fully
23 described below. The Employer Taxes shall be treated as an expense of Settlement Administration
24 and shall come out of the Gross Settlement Amount to satisfy all employer tax obligations relating
25 to the settlement payments prior to distribution of the settlement payments to the Class Members.

26 The below chart provides an estimated calculation of the Net Settlement Amount to
27 participating Class Members:
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Gross Settlement Amount: **\$ 190,000.00**

Attorneys' Fees - \$ 76,000.00

Litigation Costs (not to exceed) - \$ 8,000.00

Enhancement Award - \$ 10,000.00

LWDA Payment - \$ 11,250.00

Administration Fees (not to exceed) - \$ 3,000.00

Employer Taxes (estimated) - \$ 5,436.38

Net Settlement Amount: **\$ 76,313.63**

I. **Net Settlement Payments.** The term "Net Settlement Payment(s)" shall mean the payments made to the Settlement Class from the Net Settlement Amount as part of the Resolution, including wages (less Employee Taxes), penalties, and interest.

J. **Resolution" and "Settlement.** The term "Resolution" and "Settlement" mean this Agreement to resolve the Litigation.

K. **Settlement Administrator.** The Parties request that the Court appoint Phoenix Class Action Settlement Administrator Solutions as Settlement Administrator. The Settlement Administrator will be responsible for the administration of the Settlement Payment, as defined below, and all related matters, and will perform the following duties: (i) prepare the Notice with the number of Compensable Workweeks for each Class Member based on data provided by Defendants; (ii) mail the Notice to Class Members and perform address searches and re-mailings as necessary; (iii) track returned Notices; (iv) notify the Parties of timely and untimely Objections and Exclusions; (v) notify the Parties of Class Members disputing the number of Compensable Workweeks and/or persons claiming to be Class Members and resolve any disputes resulting to the same; (vi) calculate the amounts due to each Class Member pursuant to the Settlement; (vii) provide settlement payments, W-2 Forms, and 1099 Forms to eligible Class Members (those who do not opt-out of the Settlement) and to the relevant taxing authorities; (viii) make all other required settlement payments pursuant to the terms of the Settlement and as directed by the Court; and (ix) perform such other

1 duties as are described in this Agreement and/or as are customarily performed by settlement
2 administrators. Among its other duties as described in this Settlement, the Settlement Administrator
3 shall provide counsel for the Parties with a weekly report showing the number of opt-outs and
4 objections received.

5 The Parties agree that settlement administration costs shall not exceed \$3,000, based on a
6 written bid received from the Settlement Administrator. All disputes relating to the Settlement
7 Administrator's performance of its duties, after good-faith efforts by the Parties to first resolve such
8 disputes, will be referred to the Court, if necessary, which will have continuing jurisdiction over
9 this Agreement until all payments and obligations contemplated by this Agreement have been fully
10 completed.

11 L. **Settlement Amount and Gross Settlement Amount.** The terms "Settlement
12 Amount" and "Gross Settlement Amount" as used herein mean a non-revisionary settlement
13 payment by Defendants in the sum of One Hundred Ninety Thousand Dollars (\$190,000.00) to
14 resolve all claims, fees and costs relating to this Settlement, inclusive of all Net Settlement Payments
15 to the Settlement Class, the enhancement award to Plaintiff, fees and costs to the Settlement
16 Administrator, attorneys' fees and costs awarded to Class Counsel (as defined below), payment of
17 PAGA penalties to the LWDA, and the employer portion of payroll taxes and unemployment
18 insurance obligations. If, at the time of the Preliminary Approval, the then current Class size exceeds
19 32 employees (i.e., an increase of more than 10%), the Defendants agree to a proportionally increase
20 the amount of the Gross Settlement Amount. Defendants shall pay the Gross Settlement Amount
21 to the Settlement Administrator within five (5) business days of the Settlement Effective Date.

22 M. **Settlement Class, Class and Class Members.** For settlement purposes only, the
23 Parties agree to the certification of a class ("Class Members," "Class" or "Settlement Class")
24 pursuant to California Code of Civil Procedure section 382 defined as: All current and former
25 employees, who were employed by Defendants in the State of California during the Class Period in
26 the position of Student Loan Advisors, Student Loan Processors, or similar positions. Defendants
27 have identified that the Class size is approximately 32 employees. If, at the time of the Preliminary
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1 Approval, the then current Class size exceeds 32 employees (i.e., an increase of more than 10%),
2 Defendants agree to a proportionally increase the amount of the Gross Settlement Amount.
3 Defendants shall pay the Gross Settlement Amount to the Settlement Administrator within five (5)
4 business days of the Settlement Effective Date.

5 **N. Settlement Period and Class Period.** The term “Settlement Period” as used herein
6 means the period from February 26, 2016 through the date of Preliminary Approval, unless
7 otherwise mutually agreed by the Parties in writing, and shall be used synonymously with the term
8 “Class Period.”.

9 **O. Settlement Effective Date.** The settlement embodied in this Stipulation shall
10 become effective on the fifth (5th) business day after all of the following events have occurred: (1)
11 the Stipulation has been executed by all Parties and their counsel; (2) the Court has given preliminary
12 approval to the Settlement; (3) the notice packet has been sent to Class Members, providing them
13 with an opportunity to verify their estimated share of the Net Settlement Payments, opt-out of the
14 Settlement or object to the terms of the Settlement; (4) the claims process has been completed; (5)
15 the Court has held a final fairness hearing certifying the class, approving the Settlement and entering
16 a final order and judgment; and (6) if there are any objections, the period for filing any appeal has
17 expired and there is no possibility of appeal or other judicial review (the “Settlement Effective
18 Date”). In the event that the Court does not approve the Settlement, or if the final order and judgment
19 is reversed on appeal, then there shall be no Settlement Effective Date and this Settlement
20 Agreement shall become null and void.

21 **P. “Covered Claims” or “Class Claims”.** Any and all federal (including FLSA),
22 state, local and common law claims for unpaid wages and overtime compensation (including but not
23 limited to any claims based on alleged improper misclassification as independent contractor, unpaid
24 minimum wages, unpaid rest breaks, unpaid meal periods, waiting time penalties, statutory penalties
25 (including but not limited to penalties based on alleged wage statement and/or payroll record
26 violations), any and all civil penalties under the California Private Attorneys’ General Act
27 (“PAGA”) based on any claims related to the Action, and any alleged violation of any wage and
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1 hour, wage payment, wage deduction, meal and rest break, recordkeeping, unfair business practice
2 or any other wage-related statutes, laws or regulations that are or could be asserted by any member
3 of the Class arising out of the acts alleged in the Litigation or arising out of the facts, matters,
4 transactions or occurrences set forth in the Litigation (collectively the "Class Claims"). Class
5 Claims shall also include any and all claims for attorneys' fees, costs, expenses, interest, penalties,
6 liquidated damages, punitive damages and any other damages or relief that have been or could have
7 been asserted by Plaintiff or any Class Member arising out of or relating to the facts alleged in the
8 Litigation. Specifically excluded from Class Claims are claims that cannot be waived as a matter of
9 law, including claims for workers' compensation and unemployment insurance benefits.

10 **Q. Compensable Workweek.** A workweek during which a Class Member received
11 pay for work performed while employed by Defendants during the period of February 26, 2016
12 through the date of Preliminary Approval. A Compensable Workweek excludes every week during
13 which the Class Member was on an unpaid leave of absence, even if the Class Member was receiving
14 workers' compensation, disability insurance, Social Security, or Paid Family Leave benefits during
15 the unpaid leave.

16 **R. Mailing Of Notice Of Class Action Settlement And Request For Exclusion.** The
17 Notice of Pendency of Class Action Settlement ("Notice") to be approved by the Court which will
18 be mailed by the Settlement Administrator to each Class Member explaining the terms of the
19 Settlement and the claims process. A copy of the Notice is attached hereto as Exhibit "1".

20 **S. Exclusion Form.** The form to be approved by the Court which will be mailed by
21 the Settlement Administrator to each Class Member who then must submit the Exclusion Form
22 ("Exclusion Form") to the Settlement Administrator in order to exclude themselves from this
23 Settlement. A copy of the Exclusion Form is attached hereto as Exhibit "2".

24 **T.** The Settlement Administrator shall mail the Notice of Class Action Settlement, and
25 Request for Exclusion, to Class Members within 14 calendar days of receiving the Class Member
26 data from Defendants. The Settlement Administrator shall send the Notice of Class Action
27 Settlement, and Request for Exclusion to Class Members via First Class U.S. Mail, using the most
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1 current, known mailing address for each Class Member based on information provided by
2 Defendants. Upon receipt of this information from Defendants, the Settlement Administrator shall
3 perform a search based on the National Change of Address Database maintained by the United States
4 Postal Service to update and correct any known or identifiable address changes.

5 U. **Excluded Class Member.** The term “Excluded Class Member” means a Class Member
6 who has timely submitted a written request to be excluded from the Settlement. To be valid, the
7 Request for Exclusion must: (a) state the full name, address, telephone number and last four digits
8 of the Social Security Number of the Class Member requesting exclusion; (b) clearly state that the
9 Class Member wishes to Opt-Out of the Class and be excluded from the Settlement; (c) be signed
10 by the Class Member; and (d) be properly and timely mailed to the Settlement Administrator prior
11 to the Response Deadline (the “Request for Exclusion”). Excluded Class Members will not be
12 included in the Settlement and will have no right to receive any money under the Settlement or to
13 object to the Settlement.

14 V. **Re-mailing Of Returned Notices.** Any mailing returned to the Settlement
15 Administrator as undeliverable shall be sent within 3 business days via First Class U.S. Mail to the
16 forwarding address affixed thereto. If no forwarding address is provided, the Settlement
17 Administrator shall attempt to determine the correct address by again using the National Change of
18 Address Database maintained by the United States Postal Service to update and correct any known
19 or identifiable address changes. Following this procedure, the Settlement Administrator shall
20 perform a single re-mailing via First Class U.S. Mail within 3 business days.

21 W. **Participating Class Member.** The term “Participating Class Member” means a Class
22 Member who has not opted-out of the Class to be eligible to receive an individual Settlement
23 Payment from the Net Settlement Amount.

24 X. **Preliminary Approval.** Preliminary Approval shall mean the Court's order granting
25 preliminary approval of the class action settlement based on the terms stated herein.

26 Y. **Final Approval.** Final Approval means the Court’s order granting final approval of
27 the class action settlement based on the terms stated herein and the Court entering a final Judgment.
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JURISDICTION

13. The Court refers to and means the Superior Court of the State of California, County of Orange, (the "Court"), which has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendants deny them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court gives final approval of the Settlement and after it has entered judgment, the Court shall retain jurisdiction of this action pursuant to California Code of Civil Procedure section 664.6 for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set forth herein.

STIPULATION OF CLASS CERTIFICATION

14. The Parties stipulate to the certification of this Settlement Class solely for purposes of the Resolution only. This Stipulation is contingent upon the preliminary and final approval and certification of the Settlement Class only for purposes of the Resolution. Should the Resolution not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Resolution shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation.

PRELIMINARY APPROVAL

15. The Parties shall submit to the Court a Joint Motion for Preliminary Approval of class action settlement no later than April 1, 2021 requesting an order preliminarily approving the Settlement, including the Notice, and Exclusion as explained herein, and including a request for the Court to order the conditional certification of the Settlement Class for settlement purposes only, which will be supported and not opposed by Defendants. The date that the Court grants Preliminary Approval of this Agreement will be the "Preliminary Approval Date." Class Counsel will prepare the Motion for Preliminary Approval, subject to review and final approval by Defendants prior to filing. The Motion for Preliminary Approval will also include a request for the Court to preliminarily appoint Plaintiff's Counsel as Class Counsel, to preliminarily approve Plaintiff as the

1 Class Representative, to appoint Phoenix Class Action Administration Solution, Inc. as the
2 Settlement Administrator, to set a date for the Final Approval Hearing, and to seek such other orders
3 from the Court as are necessary to obtain Preliminary Approval.

4 **STATEMENT OF NO ADMISSION**

5 16. Defendants deny any and all liability to Plaintiff and the Settlement Class upon any
6 claim or cause of action. This Agreement does not constitute, and is not intended to constitute an
7 admission by Defendants as to the merits, validity, or accuracy of any of the allegations made against
8 them in the Litigation or of any liability, culpability or wrongdoing by Defendants or any of its
9 agents or employees.

10 17. Nothing in this Agreement, nor any action taken in implementation thereof, nor any
11 statements, discussions, or communications, nor any materials prepared, exchanged, issued or used
12 during the course of the negotiations leading to this Agreement or the Resolution, is intended by the
13 Parties to constitute, nor will any of the forgoing constitute, be introduced, be used or be admissible
14 in any way in this Litigation or any other judicial, arbitral, administrative, investigative or other
15 forum or proceeding as evidence of any violation of any state, local law, statute, ordinance,
16 regulation, rule or any obligation or duty at law or in equity. The Parties themselves agree not to
17 introduce, use, or admit this Agreement, directly or indirectly, in this Litigation or any other judicial,
18 arbitral, administrative, investigative or other forum or proceeding, or to any agency, as purported
19 evidence of any violation of any state, local law, statute, ordinance, regulation, rule or any obligation
20 or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement
21 may be used in any proceeding before the Court that has as its purpose the interpretation,
22 implementation, or enforcement of this Agreement or any orders or judgments of the Court entered
23 in connection with the Resolution.

24 18. None of the documents produced or created by Plaintiff or the Settlement Class in
25 connection with the claims procedures or claims resolution procedures (including the Notice and
26 Exclusion Forms) is intended to constitute, an admission by Defendants of any violation of any state,
27 local law, statute, ordinance; regulation, rule or any obligation or duty at law or in equity.

19. The Parties agree that class certification pursuant to California Code of Civil Procedure section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified or given collective treatment in the Litigation or in any other action or proceeding. Further, this Agreement will not be admissible in any court or other tribunal regarding the propriety of class certification or collective treatment. In the event that this Agreement is not approved by the Court or is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies in the Litigation, and Defendants will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Litigation.

20. Effect of Failure to Obtain Preliminary Approval. If this Settlement or Agreement or a substantially similar settlement mutually agreed to by the Parties is not preliminarily approved, the Action shall proceed as if no settlement had been attempted and revert back to its prior procedural posture. The Parties may, however, jointly agree to seek reconsideration of the ruling on the Settlement or Court approval of a renegotiated settlement.

TERMS OF SETTLEMENT

1. **Class Certification.** For settlement purposes only, the Parties stipulate that a class may be certified (the Settlement Class), as described in Paragraph 12.M. of this Agreement. The Parties agree that certification for settlement purposes under the lenient standard applied to settlements is in no way an admission that class certification is proper under the more stringent standard applied for litigation purposes, and that evidence of this limited stipulation for settlement purposes only will not be deemed admissible in this or any other proceeding.

2. **Settlement Amount.** Defendants' maximum non-reversionary payment of the Settlement Amount under the Settlement is One Hundred and Ninety Thousand Dollars \$190,000.00, from which payments will be as follows subject to the Court's approval: (1) up to forty (40%) or Seventy-Six Thousand Dollars (\$76,000.00) in attorneys' fees to Class Counsel, and Class Counsel's reasonable litigation costs which is estimated not to exceed \$8,000; (2) up to Ten-

1 Thousand Dollars (\$10,000.00) as the Enhancement Award payment to Plaintiff, (3) up to \$3,000.00
2 in reasonable costs incurred by the Settlement Administrator to administer the Settlement; (4)
3 \$15,000.00 as payment of PAGA penalties, of which 75% or \$11,250.00 will be paid to the Labor
4 Workforce Development Agency ("LWDA") of the State of California; (5) all Employer Taxes due
5 on the Net Settlement Amount(s) to be paid to the Participating Class Members, which are estimated
6 to be approximately \$5,436.38 in Employer Taxes; and (6) the Net Settlement Amount, including
7 Net Settlement Payments to Participating Class Members. Defendants shall pay the Gross
8 Settlement Amount to the Settlement Administrator within five (5) business days of the Settlement
9 Effective Date.

10 **3. Payment of Net Settlement Payments to Class Members.** After the Net Settlement
11 Amount has been determined, Net Settlement Payments shall be made out of the Net Settlement
12 Amount to Class Members who have not opted-out. The value of each Participating Class Member's
13 claim shall be based on his or her number of Compensable Workweeks.

14 **4. Calculation of Payments to Class Members.** Defendants will provide the
15 Settlement Administrator with the total number of Compensable Workweeks for Participating Class
16 Members. After the Net Settlement Amount is determined, the Settlement Administrator will divide
17 the Net Settlement Amount by the total number of Compensable Workweeks for all Participating
18 Class Members ("Work Week Rate Amount") and then multiply this amount by each Participating
19 Class Member's total number of Compensable Workweeks to yield that employee's Net Settlement
20 Payment or "Individual Settlement Payment" amount.

21 **5.** The amount paid to each Participating Class Member who has not opted-out of the
22 Settlement shall be allocated as follows: one-third (1/3) shall be attributed to wages, and two-thirds
23 (2/3) shall be attributed to interest and penalties. The Parties agree that the wages claimed by the
24 Plaintiff and the Class Members in the Litigation are the subject of a genuine dispute between the
25 Parties, and the amount being paid as wages pursuant to this Settlement represents a compromise of
26 those disputed claims, which are denied and contested by Defendants. Accordingly, the parties
27 acknowledge that the provisions of California Labor Code section 206.5 do not apply to this
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1 Settlement.

2 6. One third (1/3) of the total amount of Net Settlement Payments to Class Members
3 will be treated as payments in settlement of wage claims, subject to W-2 reporting. Applicable tax
4 deductions and payroll withholdings for Employee Taxes will be taken from this portion of the
5 Settlement Amount. The employer portion of payroll taxes and unemployment insurance
6 obligations shall be treated as an expense of administration and shall come out of the Gross
7 Settlement Amount to satisfy all Employer Tax obligations relating to the settlement payments prior
8 to distribution of the settlement payments to the Participating Settlement Class Members.
9 Settlement Administrator will issue a Form W-2 to each Participating Class Member who has not
10 opted-out of the Settlement reflecting the wage portion of each individual Net Settlement Payment.
11 Two thirds (2/3) of the total amount of Net Settlement Payments to Participating Class Members
12 will be treated as payment in settlement of claims for interest and penalties. Settlement
13 Administrator will report the latter portion of the payments by means of an IRS Form 1099.

14 7. **No Credit Towards Benefit Plans.** Neither the terms of this Settlement nor any of
15 the amounts paid to Plaintiff or any Participating Class Member shall have any effect on the
16 eligibility or calculation of any employee benefits. The Parties agree that any Individual Settlement
17 Payment amounts paid to Participating Class Members under the terms of this Settlement do not
18 represent any modification of any Participating Class Member's previously credited hours of service
19 or other eligibility criteria, and will not be utilized to calculate any additional benefits, vesting or
20 credit under any employee pension benefit plan, employee welfare benefit plan or other program or
21 policy sponsored by Defendants or any of its affiliates, including but not limited to any profit-sharing
22 plans, pension plans, 401(k) plans, bonus plans, stock purchase plans, vacation plans, PTO plans,
23 paid sick leave plans, or any other company sponsored plans or employee benefits. Further, the
24 amounts paid to Participating Class Members shall not be considered wages, compensation or annual
25 earnings for benefits in any year for purposes of determining any rights, eligibility, hours of service,
26 benefit accruals, calculations, contributions or amounts to which any Participating Class Member
27 may be entitled with respect to an such employee pension benefit plan, employee welfare benefit
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plan or other program or policy sponsored by Defendants or any of its affiliates.

8. **Settlement Amount Funding and Settlement Payment Due Date.** Within five (5) business days of the Settlement Effective Date, Defendants will deposit the Gross Settlement Amount into a Qualified Settlement Fund (as defined below) established by the Settlement Administrator. Within five (5) business days after receipt of the Gross Settlement Amount, the Settlement Administrator shall mail the PAGA payment to the LWDA, the Enhancement Award payment to the Class Representative, and the Court-approved attorneys' fees and costs to Class Counsel. Within five (5) business days after receipt of the Gross Settlement Amount, the Settlement Administrator shall mail the applicable Net Settlement Payments to the Participating Class Members.

WAIVER, RELEASE AND DISMISSAL

9. **Release By Class Members.** Upon the date that the Court grants final approval of the Settlement, Plaintiff and the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class, hereby do and will be deemed to have fully, finally and forever waived, released, settled, compromised, relinquished and discharged Defendants, their respective parents, subsidiaries, affiliates, related entities, predecessors or successors in interest, and each of their respective owners, officers, directors, shareholders, partners, members, managing agents, employees, consultants, attorneys, joint venturers, agents, successors, assigns, insurers, or reinsurers or any of them, and other related persons and entities ("Released Parties"), from any and all claims, charges, complaints, controversies, suits, causes of action, rights, debts, liabilities, costs, losses, demands, damages, judgments, obligations, equitable relief, or expenses of any kind, whether known or unknown, suspected or unsuspected, including any claims for statutory or other attorneys' fees and costs (collectively "Claims"), arising out of or derived from state or local law or federal law (including the FLSA), which were or could have been asserted based upon the facts alleged in the Litigation by Plaintiff and the Settlement Class in the Litigation based upon alleged violations of California Labor Code sections 201, 202, 203, 226, 226.7, 221, 224, 225, 226.8, 245.5-249, 450, 510, 512, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, *et seq.*, 2750.3, and 2802, and

1 any applicable Wage Orders applying those Labor Code sections, and Business and Professions
2 Code section 17200, *et seq.*, and from any and all Claims arising out of or derived from state or local
3 law or federal law (including the FLSA), which were alleged or could have been alleged based on
4 the factual allegations pled in the Litigation relating to the Covered Claims, for the period from
5 February 26, 2016 through the Preliminary Approval Date (the "Release"). The Release shall be
6 fully binding on each and every Class Member, other than any Excluded Class Member, regardless
7 of whether the Class Member receives an Individual Settlement Payment, provided, however, that
8 the Release shall not include the release of claims under the FLSA unless the Class Member actually
9 cashes his or her Individual Settlement Payment. In addition, on the date the Court grants final
10 approval of the Settlement, all Class Members, except for Excluded Class Members, will be
11 permanently enjoined and forever barred from prosecuting any and all Covered Claims against the
12 Released Parties.

13 **10. Plaintiff's Civil Code section 1542 Release.** In addition to the Release made in
14 Paragraph 9, Plaintiff makes the additional following general release ("General Release") of all
15 claims, known or unknown, that Plaintiff has against the Released Parties. Plaintiff, on his behalf
16 and on behalf of his respective heirs, successors, assigns, agents, attorneys, representatives and other
17 related persons and entities that may claim by, through or under them, in consideration for the
18 amounts paid to Plaintiff under this Stipulation, including any enhancement award that may be paid
19 to Plaintiff, upon the Court's final approval of the Settlement, hereby fully and finally waives,
20 releases and discharges the Released Parties from all known and unknown claims he may have
21 against the Released Parties, of every nature or description whatsoever. This General Release of
22 claims includes Covered Claims and claims released in this Stipulation, and any and all known or
23 unknown contract, tort, statutory, common law, constitutional, public policy, and other claims of
24 any type whatsoever, including claims based on employment discrimination, harassment, retaliation
25 or any other rights afforded to employees, to the fullest extent such claims are releasable by law,
26 arising out of the Litigation, Plaintiff's employment with Defendants, Plaintiff's termination from
27 employment, and the Released Parties, through the Date of Preliminary Approval. Plaintiff waives
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1 all rights under Section 1542 of the California Civil Code, which section reads as follows:

2 **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
3 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
4 **FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF**
5 **KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS**
6 **OR HER SETTLEMENT WITH THE DEBTOR."**

7 Specifically excluded from this waiver; however, are claims that cannot be waived as a
8 matter of law, including claims for workers' compensation and unemployment insurance benefits.

9 Plaintiff agrees and acknowledges that he is not required to settle at this time, but voluntarily
10 chooses to do so by entering into this Stipulation.

11 **SETTLEMENT ADMINISTRATOR**

12 11. Phoenix Class Action Administrator Solutions will serve as the Settlement
13 Administrator for this Settlement, subject to the Court's approval. All Settlement administration
14 costs, in an amount to be approved by the Court but not to exceed \$3,000.00, shall be taken from
15 the Gross Settlement Amount. An IRS Form 1099 will be issued by Defendants to Settlement
16 Administrator for this payment. The Parties further agree that to the extent administration costs are
17 below the \$3,000.00 limit, such amount will inure to the benefit of the Class Members as explained
18 herein. The Settlement Administrator shall perform all of the duties as described in this Agreement,
19 including those set forth in Paragraph 12.K.

20 12. Within fourteen (14) calendar days after the Court grants preliminary approval of the
21 Settlement, Defendants will provide the Settlement Administrator with the dates of employment and
22 total workweeks for each Class Member. At the same time, Defendants will provide the Settlement
23 Administrator with current contact information (i.e., last known addresses, telephone numbers and
24 Social Security numbers) for all Class Members (the "Class List"). The Class List contains
25 confidential, personal and/or private information of the Class Members and will be transmitted via
26 password protected means. The Settlement Administrator shall keep the Class List strictly
27 confidential and shall not disclose the information to any other person or entity. Defendants further
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1 agree to consult with the Settlement Administrator prior to the production of the Class List to ensure
2 that the format will be acceptable to the Settlement Administrator. Among its other duties as
3 described in this Settlement, the Settlement Administrator shall provide counsel for the Parties with
4 a weekly report showing the number of opt-outs and objections received.

5 13. Within fourteen (14) calendar days of receipt of the Class List, the Settlement
6 Administrator will mail the Notice and Exclusion Form to the Class Members as described below.

7 **NOTICE, OBJECTIONS AND EXCLUSION RIGHTS**

8 14. **Notice.** Plaintiff and Defendants, through their respective attorneys, have jointly
9 prepared a Notice, and the Exclusion Form attached hereto as Exhibit 1-2 to this Agreement and
10 incorporated herein by reference, both subject to Court approval, which will be provided to the
11 members of the Settlement Class.

12 15. **Class Members' Consideration Period.** Class Members shall be provided 45 calendar
13 days to exercise any rights with regard to the Settlement, following the postmark date of the initial
14 mailing of the Notice of Class Action Settlement, and the Request for Exclusion. Except as
15 specifically provided herein, no Class Member responses of any kind that are postmarked more than
16 45 calendar days after the initial mailing of the Notice shall be considered. Responses from Class
17 Members must be postmarked for mail with the U.S. Postal Service. Responses sent by facsimile,
18 email, or other forms of electronic transmission will not be considered.

19 16. The Settlement Administrator shall run all the addresses provided by Defendants through
20 the United States Postal Service NCOA database (which provides updated addresses for any
21 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
22 forwarding address) to obtain current address information. The Settlement Administrator shall mail
23 the Notice and Exclusion Form to the members of the Settlement Class via first-class regular U.S.
24 Mail using the most current mailing address information available, within fourteen (14) calendar
25 days after receiving the Class List from Defendants. The Notice shall provide the members of the
26 Settlement Class forty-five (45) days' notice of all applicable dates and deadlines, with this period
27 to begin running on mailing of the Notice and Exclusion Form by the Settlement Administrator.
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1 17. The Notice will also include information regarding the nature of the Litigation, a
2 summary of the terms of the Resolution, the definition of the Settlement Class, the procedure and
3 time period for objecting to the Resolution, the date and location of the Final Approval hearing, a
4 statement that the Court has preliminarily approved the Resolution, information regarding the opt-
5 out procedure, and Defendants' calculation of the number of full workweeks that the member of the
6 Settlement Class has worked as an employee of Defendants' in California at any time during the
7 period from February 26, 2016 to the Preliminary Approval date. The Notice (Exhibit 1) shall
8 enclose the Exclusion Form (each in the form attached hereto as Exhibit 2).

9 18. If a Notice is returned from the initial notice mailing, the Settlement Administrator shall
10 conduct a skip tracing in an attempt to locate a more current address. If the Settlement Administrator
11 is successful in locating a new address, it will re-mail the Notice to the member of the Settlement
12 Class. Any Notices returned with a forwarding address to the Settlement Administrator, as non-
13 deliverable before the deadline date, shall be sent to the forwarding address affixed thereto.

14 19. No later than forty-five (45) days prior to the Final Approval Hearing, the Settlement
15 Administrator shall provide counsel for Defendants and Class Counsel with a declaration attesting
16 to the completion of the Notice process, including the number of attempts to obtain valid mailing
17 addresses for and re-sending of any returned Notices, as well as the number of valid opt-outs,
18 objections, and deficiencies which the Settlement Administrator received.

19 20. **Request for Exclusion and Opt Out Rights.** Class Members shall be given the
20 opportunity to opt out of the Settlement.

21 21. **Opt Out Procedures.** Class Members may opt out of the Settlement by mailing to the
22 Settlement Administrator a Request for Exclusion, substantially in the form attached as Exhibit 2.
23 Any such Request for Exclusion must be postmarked not more than 45 calendar days after the
24 postmark date of the initial mailing of the Notice of Class Action Settlement and the Request for
25 Exclusion. To be a valid Request for Exclusion, a Class Member must provide his or her name (and
26 former names, if any), current address, current telephone number, and last four digits of their Social
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1 Security Number. Any Request for Exclusion that does not include all of the required information
2 or that is not submitted in a timely manner will be deemed null, void, and ineffective. If there is a
3 dispute regarding the timeliness or validity of a Request for Exclusion, the Settlement
4 Administrator shall make the determination, after consultation with Class Counsel and Defense
5 Counsel. Requests for Exclusion from Class Members must be postmarked for mail with the U.S.
6 Postal Service. Requests for Exclusion sent by facsimile, email, or other forms of electronic
7 transmission will not be considered.

8 **22. Effect of Opt Out.** Any Class Member who opts out of the Settlement may not
9 object to the Settlement, shall not receive any Individual Settlement Payment, and shall not be bound
10 by the Released Claims provisions in this Agreement. If a Class Member submits both a Request
11 for Exclusion and an Objection, the Class Member's Objection will be invalid and the Request for
12 Exclusion will be deemed valid, provided it is postmarked no later than 45 days after the first
13 postmark date of mailing the Notice of Class Action Settlement. Each Class Member who does not
14 opt out of the Settlement shall be bound by the applicable Released Claims provisions in this
15 Agreement, including the Released Claims.

16 **23.** Neither Party will encourage any Class Member to opt out of or object to this
17 Settlement. If a Settlement Class Member contacts Class Counsel, Class Counsel may discuss the
18 terms of the Resolution and the Settlement Class Member's options, as stated herein.

19 **24. Objection Rights.** Because the Settlement Class will be certified by the Court, only
20 Class Members who do not opt out of the Settlement shall be entitled to object to the terms of the
21 Settlement.

22 **25. Objection Procedures.** Class Members' objections to the Settlement or this Agreement
23 must be made using the procedures set forth in the Notice of Class Action Settlement. Class
24 Members may either orally object, or otherwise offer comments at the Final Fairness Hearing either
25 in person or through counsel, or may submit a written Objection. Class Members need not file any
26 written Objection with the Court. Any written Objection must be mailed to the Settlement
27 Administrator and postmarked no later than 45 days after the first postmark date of mailing the
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1 Notice of Class Action Settlement. An Objection shall be deemed to be submitted as of the
2 postmarked date. The written Objection must contain: (1) the name and case number of this lawsuit
3 *Kalyvn Escobar v. Prime Finance Consulting, et al.*, Orange County Superior Court Case No. 30-
4 2020-01134584-CU-OE-CXC; (2) the full name, last four digits of their Social Security Number,
5 and current address of the Class Member making the Objection; (3) the specific reason(s) for the
6 Objection; and (4) any and all evidence and supporting papers (including, without limitation, all
7 briefs, written evidence, and declarations) for the Court to consider. Class Members may withdraw
8 their Objections at any time. Class Members who submit an Objection remain bound by this
9 Agreement. If a Settlement Class member objects to this Agreement, the Settlement Class member
10 will remain a member of the Settlement Class and if the Court approves this Agreement, the
11 Settlement Class member will be bound by the terms of the Agreement and Final Approval in the
12 same way and to the same extent as a Settlement Class member who does not object. The Settlement
13 Administrator shall provide copies of all Objections to Class Counsel and counsel for Defendants
14 promptly upon receipt of the Objection. Class Counsel shall submit all Objections to the Court at
15 the time of filing the Motion for Final Approval of the Settlement. The Court retains final authority
16 with respect to the consideration and admissibility of any Settlement Class member's objections.
17 Plaintiff and Defendants will be permitted to respond in writing to any written objections by no
18 later than seven (7) calendar days before the Final Approval hearing.

19 26. The Parties expressly agree that objecting Class Members are not entitled to recover any
20 attorneys' fees or costs from Class Counsel's fee award. This Agreement specifically bars recovery
21 of attorney fees and costs for objectors even if the objection has added genuine value to the
22 Settlement. Objections from Class Members must be postmarked for mail with the U.S. Postal
23 Service. Objections sent by facsimile, email, or other forms of electronic transmission will not be
24 considered.

25 27. **Waiver of Objection Rights.** Class Members who fail to make Objections in the
26 manner specified in the Notice of Class Action Settlement shall be deemed to have waived any
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1 Objections and shall be foreclosed from making any Objection, whether by appeal or otherwise, to
2 this Agreement.

3 **28. Proof of Class Members' Responses.** By not later than 75 calendar days after the
4 initial mailing of the Notice of Class Action Settlement and Request for Exclusion, the Settlement
5 Administrator will prepare and submit a declaration attesting to (by number of relevant individuals)
6 its mailing of the Notice of Class Action Settlement, its inability to deliver any mailing due to
7 invalid addresses, and its receipt of valid Requests for Exclusion. 16 calendar days prior to the
8 Final Fairness Hearing, the Settlement Administrator will prepare a supplemental declaration to
9 submit to the Court, to indicate the number of valid timely claims, objections, and opt out Requests
10 for Exclusion.

11 **29. Binding Effect of Settlement.** Although some Class Members might not receive or
12 timely submit the Notice of Class Action Settlement or the Request for Exclusion, as provided under
13 this Settlement and Agreement, due to inability to locate their current address following the
14 procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the
15 terms of this Settlement and Agreement and the Final Order and Dismissal with Prejudice.

16 **30. Disputes Regarding Compensable Work Weeks.** The Notice of Class Action
17 Settlement will list each Class Member's number of Compensable Workweeks worked, for purposes
18 of determining the Individual Settlement Payment. If a Class Member disputes the number of
19 Workweeks worked on the Notice of Class Action Settlement, the Class Member must produce, by
20 no later than forty-five (45) days from the date the Notice of Class Action Settlement is postmarked,
21 evidence to the Settlement Administrator showing that such information is inaccurate. All disputes
22 will be decided within seven (7) business days from the date the dispute is received by the Settlement
23 Administrator. The Settlement Administrator and the Parties will attempt to resolve the dispute;
24 however, any unresolved dispute, will be ultimately decided by the Court. If the member of the
25 Settlement Class does not dispute the number of Eligible Workweeks set forth in the Notice, such
26 person need not take further action to participate in the Resolution.

27 **31. Qualified Settlement Fund.** The Gross Settlement Amount paid by Defendants shall
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1 be deposited into an account established by the Settlement Administrator as a “Qualified Settlement
2 Fund” within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and
3 Treas. Reg. Section 1.468B-1, *et seq.*, (the “Settlement Fund”) and shall be administered by the
4 Settlement Administrator pursuant to the final terms of the Settlement as approved by the Court.
5 The Claims Administrator shall request and obtain from the IRS an appropriate Tax ID for the
6 Settlement Fund. The Claims Administrator shall serve as a Trustee of the Settlement Fund and
7 shall act as a fiduciary with respect to the handling, management and distribution of the Settlement
8 Fund, including the handling of all tax-related issues, reporting and payments. The Claims
9 Administrator shall act in a manner necessary to qualify and maintain the Settlement Fund as a
10 Qualified Settlement Fund and the Parties shall cooperate to ensure such treatment and shall not take
11 a position in any filing or before any tax authority inconsistent with such treatment.

12 32. After the Settlement Effective Date, the Settlement Administrator shall cause the
13 Individual Settlement Payments, Court approved Enhancement Award to Plaintiff, Court approved
14 attorneys' fees and costs, and payment of PAGA penalties to the LWDA, to be paid as provided in
15 Paragraph 8 above. If a check is returned to the Settlement Administrator as undeliverable, the
16 Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a
17 skip trace search and, if another address is identified, shall mail the check to the newly identified
18 address. If any settlement check is uncashed after 180 days, will be delivered to the California
19 Uncashed Check Fund to be held as “Unclaimed Property” in the name of the Settlement Class
20 member. The Settlement Administrator shall notify Class Counsel and Defendants’ Counsel of any
21 undeliverable checks.

22 **ATTORNEYS' FEES AND COST**

23 33. Plaintiff requests, and Defendants shall not oppose, an application by Class Counsel to
24 the Court seeking an award of attorneys' fees not to exceed Seventy-Six Thousand Dollars
25 (\$76,000.00) of the Gross Settlement Amount, which represents forty percent (40%) of the Gross
26 Settlement Amount, to compensate Class Counsel for all past and future attorneys' fees necessary to
27 prosecute, settle and administer the Litigation and this Resolution, including for the work performed
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1 and all work remaining to be performed in documenting the Settlement, securing the Court's
2 approval of the Settlement, administering the Settlement, ensuring that the Settlement is fairly
3 administered and implemented, and obtaining judgment, to be paid out of the Gross Settlement
4 Amount and not from any additional payment by Defendants.

5 34. Additionally, Plaintiff requests, and Defendants shall not oppose, an application by Class
6 Counsel to the Court seeking payment to Class Counsel for the reasonable litigation costs, in an
7 amount estimated not to exceed Eight Thousand Dollars (\$8,000), which represents all past and
8 future attorneys' costs and expenses necessary to prosecute, settle and administer the Litigation and
9 implementing the terms of this Resolution incurred by Class Counsel, to be paid out of the Gross
10 Settlement Amount and not from any additional payment by Defendants.

11 35. Any attorneys' fees or costs awarded to Class Counsel by the Court shall be deducted
12 from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The
13 Parties further agree that this Settlement is not conditioned on the Court awarding the full amount
14 of attorneys' fees and costs requested by Class Counsel and if the Court should approve a lesser
15 percentage or amount of fees and/or costs than the amount that Class Counsel ultimately seeks, then
16 the unapproved portion or portions shall become part of the Net Settlement Amount and shall be
17 distributed to Class Members on a pro rata basis based on the total number of Compensable
18 Workweeks. The Settlement Administrator will issue an IRS Form 1099 to Class Counsel with
19 respect to the fees and costs awarded to Class Counsel.

20 **ENHANCEMENT AWARD TO PLAINTIFF**

21 36. Defendants shall not oppose an application by Plaintiff to the Court, and Plaintiff shall
22 not seek or receive an amount in excess of Ten Thousand Dollars (\$10,000.00), to be paid out of the
23 Gross Settlement Amount, as an enhancement for his service as Class Representative and for his
24 participation in and assistance with the Litigation (the "Enhancement Award"), subject to approval
25 by the Court and conditioned on Plaintiff's execution of the General Release as set forth in Paragraph
26 10 above, by Plaintiff signing this Stipulation, in addition to any payment he may otherwise receive
27 as a Class Member. Any enhancement awarded to Plaintiff by the Court shall be deducted from the
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1 Gross Settlement Amount for the purpose of determining the Net Settlement Amount. Plaintiff
2 understands and agrees that this Settlement is not conditioned on the Court awarding the full amount
3 of the Enhancement Award requested by Plaintiff and that if the Court approves an enhancement of
4 less than \$10,000.00 to Plaintiff, the amount not awarded shall become part of the Net Settlement
5 Amount and shall be distributed to the Participating Class Members on a pro rata basis based on the
6 total number of Compensable Workweeks. The Settlement Administrator will issue an IRS Form
7 1099 to Plaintiff for his enhancement payment, and Plaintiff will be fully responsible for correctly
8 characterizing this compensation for tax purposes and for paying any taxes owing on said amount.

9 **TAX RESPONSIBILITY**

10 37. Neither Defendants nor Class Counsel are making any representations as to the tax
11 treatment or legal effect of the payments called for under this Settlement, and Plaintiff and the
12 Participating Class Members are not relying on any statement or representation by Class Counsel or
13 Defendants in this regard. Additionally, notwithstanding any prior agreement, practice or policy of
14 Defendants or any Released Party to the contrary, Plaintiff and each Participating Class Member
15 shall be solely and fully responsible for any and all taxes under all federal, state and local tax laws
16 with respect to the Individual Settlement Payment to be made to each Participating Class Member,
17 except for the Employee Taxes withheld by the Settlement Administrator and the Employer Taxes
18 to be paid by the Settlement Administrator.

19 **PAGA AWARD AND PENALTY PAYMENTS**

20 38. The Parties agree as part of this Stipulation to allocate Fifteen Thousand Dollars
21 (\$15,000.00) from the Gross Settlement Amount to fully settle and resolve all PAGA penalty claims
22 as alleged in the Litigation, subject to approval by the Court. From this \$15,000.00 PAGA
23 settlement amount, the Settlement Administrator shall issue a check from the Settlement Fund in the
24 amount of Eleven-Thousand Two-Hundred-Fifty Dollars (\$11,250.00), which represents seventy-
25 five percent (75%) of the \$15,000 amount, to be paid to the Labor and Workforce Development
26 Agency ("LWDA") of the State of California. The remaining Three-Thousand Seven-Hundred-
27 Fifty Dollars (\$3,750.00), which represents twenty-five percent (25%) of the \$15,000 PAGA
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1 settlement amount, will become part of the Net Settlement Amount and will be distributed to the
2 Participating Class Members on a pro-rata basis based on the total number of Compensable
3 Workweeks.

4 39. In the event that the Court determines that a greater amount than \$15,000 needs to be
5 allocated to the payment of PAGA penalties, this amount shall be paid from the Gross Settlement
6 Amount, but in no event shall it increase the Gross Settlement Amount, unless mutually agreed to
7 by the Parties in writing.

8 **COURT APPROVAL**

9 40. This Agreement and the Resolution is contingent upon the Court granting Final
10 Approval of the Resolution and entering judgment. Plaintiff and Defendants agree to take all steps
11 as may be reasonably necessary to secure both Preliminary Approval and Final Approval of the
12 Resolution by the Court, to the extent not inconsistent with the terms of this Agreement, and will
13 not take any action adverse to each other in obtaining the Court's Final Approval of the Resolution
14 in all respects. Plaintiff and Defendants expressly agree that they will not file any objection (as
15 opposed to request for correction) to the terms of this Stipulation of Resolution or assist or encourage
16 any person or entity to file any such objection.

17 41. Promptly upon the execution of this Stipulation, Plaintiff shall file (and Defendants shall
18 not oppose) a Joint Motion for Preliminary Approval of the Settlement, subject to final review and
19 approval by Defendants prior to filing. Specifically, Plaintiff will apply to the Court for the entry of
20 an Order:

- 21 (a) That the proposed Settlement should be preliminary approved as fair, reasonable and
22 adequate as to the Class;
- 23 (b) Approving as to form and content the proposed Notice to the Class;
- 24 (c) Approving as to form and content the proposed Exclusion Form;
- 25 (d) Directing the mailing of the Notice, and the Exclusion Form by first-class mail to the
26 Class Members;
- 27 (e) Preliminarily certify the Class for purposes of Settlement only;
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- 1 (f) Approving Class Counsel, Class Representative, and the Settlement Administrator; and
2 (g) Setting a Final Approval Hearing date with sufficient time to allow the Parties and the
3 Settlement Administrator to complete the Notice and Claims process, calculate the
4 settlement payments and tax and reporting obligations, and prepare and file the Motion
5 for Final Approval.

6 42. After completion of the Notice and Claims process, Class Counsel shall be
7 responsible for preparing and filing the Joint Motion for Final Approval with the Court in sufficient
8 time prior to the Final Approval Hearing date, including all necessary supporting Declarations,
9 [Proposed] Orders and Judgment, motions for attorneys' fees and costs, and the Enhancement
10 Award, all subject to final review and approval by Defendants prior to filing with the Court.

11 43. Counsel for the Parties shall have the right, subject to approval by the Court as to
12 the new date, to continue or reschedule the original scheduled Final Approval Hearing date without
13 providing any notice to the Class Members of the new date for the hearing, except for any Class
14 Members who have timely submitted any Objections to the Settlement.

15 **MISCELLANEOUS PROVISIONS**

16 44. This Agreement constitutes the entire agreement between Plaintiff and Defendants
17 and shall supersede and replace any prior agreement by the Parties. Except as expressly provided
18 herein, this Agreement has not be executed in reliance upon any other written or oral representations
19 or terms, and no such extrinsic oral or written representations or terms shall modify, vary or
20 contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be
21 construed according to its terms and may not be varied or contradicted by extrinsic evidence. The
22 Agreement will be interpreted and enforced under the laws of the State of California, both in its
23 procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim
24 arising out of or relating to the Agreement, or the subject matter hereof, will be resolve solely and
25 exclusively in the Superior Court of the State of California for the County of Orange, and Plaintiff
26 and Defendants hereby consent to the personal jurisdiction of the Court over them in connection
27 therewith. Plaintiff, on his own behalf and on behalf of the Settlement Class, and Defendants
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1 participated in the negotiation and drafting of this Agreement. As such, neither Plaintiff nor
2 Defendants may claim that any ambiguity in this Agreement should be construed against the other.

3 45. The terms and conditions of this Agreement constitute the exclusive and final
4 understanding and expression of all agreements between Plaintiff and Defendants with respect to
5 the Resolution of the Litigation. The Agreement may be modified only by a writing signed by the
6 original signatories and approved by the Court.

7 46. Plaintiff, Defendants and their respective attorneys shall proceed diligently to prepare and
8 execute all documents, to seek the necessary Court approvals, and to do all things reasonably
9 necessary or convenient to consummate the Agreement as expeditiously as possible.

10 47. The Agreement may be executed in one or more actual or non-original counterparts,
11 all of which will be considered one and the same instrument and all of which will be considered
12 duplicate originals.

13 48. Each individual signing below warrants that he or she has the authority to execute
14 this Agreement on behalf of the party for whom or which that individual signs.

15 49. To the extent that any deadline set forth in this Agreement falls on a Saturday,
16 Sunday, or legal holiday, that deadline shall be continued until the following business day.

17 50. In the event that any one or more of the provisions contained in this Agreement shall
18 for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
19 unenforceability shall in no way effect any other provision if Defendants and Class Counsel, on
20 behalf of the parties and the Settlement Class, mutually elect in writing to proceed as if such invalid,
21 illegal, or unenforceable provision had never been included in this Agreement.

22 51. If the Court does not grant final approval of this Settlement, or if any part of the
23 Court's final approval of this Settlement is reversed, then this Settlement will become null and void.
24 In such case, the Settlement shall not be used or be admissible in any subsequent proceedings in any
25 Court or forum.

26 52. The settlement payments to Class Members under this Settlement shall not be
27 deemed "pensionable" earnings and shall not have any effect on the eligibility for, or calculation of,
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1 any Plaintiff or Class Member employee benefits (including but not limited to retirement plans,
2 vacation, and holiday pay). The Parties agree that the Settlement payments to Participating Class
3 Members do not represent any modification of any employee's previously-credited hours of service
4 or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan,
5 or other program or policy sponsored by Defendants or any of its affiliates. Further, the Settlement
6 payments shall not be considered wages, compensation, or annual earnings for benefits in any year
7 for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit
8 plan, employee welfare benefit plan, or other program or policy sponsored by Defendants or any of
9 its affiliates.

10 53. The Parties represent, covenant, and warrant that they have not directly or indirectly
11 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
12 entity any portion of any liability, claim, demand, action, cause of action, or right released and
13 discharged in this Settlement.

14 54. Each of the Parties has entered into this Settlement with the intention to avoid further
15 disputes and litigation with the attendant inconvenience and expense. This Settlement shall be
16 inadmissible in evidence in any proceeding, except an action or proceeding to approve, interpret, or
17 enforce its terms. In connection with any such proceeding to approve, interpret or enforce the
18 Settlement, the Parties agree that this Settlement shall be binding and enforceable between them,
19 and admissible in a Court of law, including for purposes of California Evidence Code section 1123.

20 55. In the event that one or more of the Parties institutes any legal action, or other
21 proceeding against any other Party or Parties to enforce the provisions of this Settlement, or to
22 declare rights or obligations under this Settlement, the successful Party or Parties shall be entitled
23 to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in
24 connection with any enforcement actions.

25 56. The Parties agree that this Settlement shall not be construed in favor of or against
26 any Party by reason of the extent to which any Party or his or its counsel participated in its drafting.
27 Paragraph titles or captions contained in this Settlement are a matter of convenience and for
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reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision.

57. This Agreement shall be binding upon, and shall inure to the benefit of the Parties, including Class Counsel, Class Representative, and Class Members, as well as their successors, spouses, children, representatives, heirs, administrators, executors, beneficiaries, conservators, attorneys, estates, and assigns.

58. Neither Class Counsel nor defense counsel intend anything contained in this Stipulation for Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied upon as such.

59. **Waiver of Right to Appeal.** Class Members who did not timely file and serve an objection to the Settlement, hereby waive any and all rights to appeal from the Final Order approving the settlement, including all rights to any post-judgment proceeding and appellate proceeding, such as motion to vacate or set-aside judgment, a motion for new trial, and any extraordinary writ, and the Final Order approving the settlement therefore will become final and non-appealable at the time it is entered.

60. This Settlement and Agreement was made and entered into in the State of California. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of the State of California and the procedural laws of the United States of America.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

[SIGNATURES ON NEXT PAGE]

1 Dated: January 25, 2021

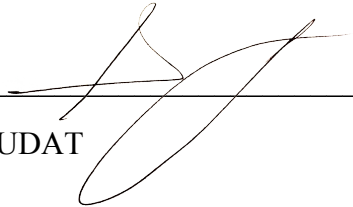


2 KALVYN ESCOBAR

3
4 Dated: _____, 2021

5 HANIEH JODAT

6
7 Dated: 01/18, 2021



8 SHAHIN JOUDAT

9
10 **APPROVED AS TO FORM**

11
12 Dated: 1/18/21, 2021

MIRHOSSEINI LAW GROUP

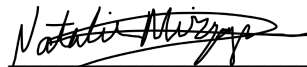


13 Ali Mirhosseini, Esq.
14 Tina Starr, Esq.

15 Attorney for PRIME FINANCE
16 CONSULTING, INC., HANIEH JODAT,
17 and SHAHIN JOUDAT

18 Dated: January 25, 2021

LAW OFFICES OF NATALIE MIRZAYAN



19 Natalie Mirzayan, Esq.

20
21 Attorney for Plaintiff
22 KALVYN ESCOBAR

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KALVYN ESCOBAR

Dated: 1/25, 2021

Hanieh Jodat
HANIEH JODAT

Dated: _____, 2021

SHAHIN JOUDAT

APPROVED AS TO FORM

Dated: _____, 2021

MIRHOSSEINI LAW GROUP

Ali Mirhosseini, Esq.
Tina Starr, Esq.

Attorney for PRIME FINANCE
CONSULTING, INC.. HANIEH JODAT,
and SHAHIN JOUDAT

Dated: _____, 2021

LAW OFFICES OF NATALIE MIRZAYAN

Natalie Mirzayan, Esq.

Attorney for Plaintiff
KALVYN ESCOBAR

EXHIBIT 2B

ADDENDUM # 1 TO JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This addendum is for the purpose of amending the JOINT STIPULATION OF CLASS ACTION SETTLEMENT (“Agreement”). This Addendum is hereinafter referred to as (“Addendum to Agreement”) previously entered into by and between (1) Plaintiff Kalvyn Escobar (“Plaintiff”), individually and on behalf of all current and former employees, who were employed by Prime Finance Consulting, Inc. (“PFC”), Hanieh Jodat, and Shahin Joudat (collectively “Defendants”) in California at any time between February 26, 2016 through the date of Preliminary Approval (“Class”). Defendants and Plaintiff are referred to as the “Parties”.

WHEREAS, the Parties sought Preliminary Approval of Class Action Settlement on February 26, 2021;

WHEREAS, the Parties hereby revise the Agreement to address the Court’s concerns stated in the February 26, 2021 Minute Order, as described below;

NOW THEREFORE, in consideration of the promises contained in the Agreement, it is agreed as follows:

1. The above-mentioned recitals are hereby incorporated into, and made part of, the Agreement signed by the Parties on the following dates:

By Kalvyn Escobar and his counsel, Natalie Mirzayan, on January 25, 2021;

By Hanieh Jodat, on January 25, 2021; and

By Shahin Joudat and his counsel, Ali Mirhosseini, on January 18, 2021;

2. No further consideration, will be made, has been made, or been promised to be made to Plaintiff or his counsel for the promises made by herein.

3. The Parties agree that Paragraph 12(M) of the Agreement is amended as follows:

Settlement Class, Class and Class Members. For settlement purposes only, the Parties agree to the certification of a class (“Class Members,” “Class” or “Settlement Class”) pursuant to California Code of Civil Procedure section 382 defined as: All current and former employees, who were employed by Defendants in the State of California during the Class Period in the position of Student Loan Advisors, Student Loan Processors, or similar positions. Defendants have identified that the Class size is approximately 32 employees. If, at the time of the Preliminary Approval, the Class size increases by more than 10% (meaning 36 or more Class Members), Defendants agree to proportionally increase the Gross

Settlement Amount. For example, if at the time of the Preliminary Approval, the Class size increases by 10% to 36 employees, Defendants must increase the Gross Settlement Amount by 10% to \$209,000.00. If the Class size increases by 30% to 42 Class Members, then Defendants must increase the Gross Settlement amount by 30% to \$247,000.00. Defendants shall pay the Gross Settlement Amount to the Settlement Administrator within five (5) business days of the Settlement Effective Date.

4. The Parties agree that Paragraph 28 on p. 23 is amended as follows:

Proof of Class Members' Responses. By not later than 75 calendar days after the initial mailing of the Notice of Class Action Settlement and Request for Exclusion, the Settlement Administrator will prepare and submit a declaration attesting to (by number of relevant individuals) its mailing of the Notice of Class Action Settlement, its inability to deliver any mailing due to invalid addresses, and its receipt of valid Requests for Exclusion.

5. The Parties agree that Paragraph 29 on p. 23 is amended as follows:

Binding Effect of Settlement. Although some Class Members might not receive or timely submit the Notice of Class Action Settlement or the Request for Exclusion, as provided under this Settlement and Agreement, due to inability to locate their current address following the procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the terms of this Settlement and Agreement and the Judgment made and entered by the Court with Prejudice.

6. The Parties agree that Paragraph 9 on pp. 16-17 is amended as follows:

Release By Class Members. Upon the date that the Court grants final approval of the Settlement, Plaintiff and the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class, hereby do and will be deemed to have fully, finally and forever waived, released, settled, compromised, relinquished and discharged Defendants, their respective parents, subsidiaries, affiliates, related entities, predecessors or successors in interest, and each of their respective owners, officers, directors, shareholders, partners, members, managing agents, employees, consultants, attorneys, joint venturers, agents, successors, assigns, insurers, or reinsurers or any of them, and other related persons and entities ("Released Parties"), from any and all claims, charges, complaints, controversies, suits, causes of action, rights, debts, liabilities, costs, losses, demands, damages, judgments, obligations, equitable relief, or expenses of any kind, whether known or unknown, suspected or unsuspected, including any claims for statutory or other attorneys' fees and costs (collectively "Claims"), arising out of or derived from state or local law or federal law (including the FLSA), which were or could have been asserted based upon the facts alleged in the Litigation by Plaintiff and the Settlement Class in the Litigation based upon alleged violations of California Labor Code sections 201, 202, 203, 226, 226.7, 221, 224, 225, 226.8, 245.5-249, 450, 510,

512, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, *et seq.*, 2750.3, and 2802, and any applicable Wage Orders applying those Labor Code sections, and Business and Professions Code section 17200, *et seq.*, and from any and all Claims arising out of or derived from state or local law or federal law (including the FLSA), which were alleged or could have been alleged based on the factual allegations pled in the Litigation relating to the Covered Claims, for the period from February 26, 2016 through the Preliminary Approval Date (the “Release”). The Release shall be fully binding on each and every Class Member, other than any Excluded Class Member, regardless of whether the Class Member receives an Individual Settlement Payment, provided, however, that the Release shall not include the release of claims under the FLSA unless the Class Member actually cashes his or her Individual Settlement Payment. In addition, on the date the Court grants final approval of the Settlement, all Class Members, except for Excluded Class Members, will be barred as a matter of law from prosecuting any and all Covered Claims against the Released Parties.

7. The Parties agree that Paragraph 22 on p. 21 is amended as follows:

Effect of Opt Out. Any Class Member who opts out of the Settlement may not object to the Settlement, shall not receive any Individual Settlement Payment, and shall not be bound by the Released Claims provisions in this Agreement. However, because the proposed Settlement includes the settlement of claims for civil penalties under PAGA, Class Members may not request exclusion from the Settlement of PAGA claims. Thus, if the Court approves this Settlement, and even if a Class Member submits a Request for Exclusion from the Settlement, the Class Member will receive an Individual Settlement Share for the PAGA claims only and will be deemed to have released the PAGA claims. A Request for Exclusion will only preserve a Class Member’s right to individually pursue only the remaining Released Claims.

If a Class Member submits both a Request for Exclusion and an Objection, the Class Member’s Objection will be invalid and the Request for Exclusion will be deemed valid, provided it is postmarked no later than 45 days after the first postmark date of mailing the Notice of Class Action Settlement. Each Class Member who does not opt out of the Settlement shall be bound by the applicable Released Claims provisions in this Agreement, including the Released Claims.

8. Except as specifically stated in this Addendum, the provisions of the JOINT STIPULATION OF CLASS ACTION SETTLEMENT previously entered into by the Parties, shall remain in full force and effect.

SO AGREED AND STIPULATED:

[SIGNATURES ON NEXT PAGE]

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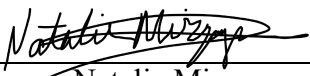
DATED: March 24, 2021

PLAINTIFF KALVYN ESCOBAR

By: 
KALVYN ESCOBAR

DATED: March 24, 2021

LAW OFFICES OF NATALIE MIRZAYAN

By: 
Natalie Mirzayan, Esq.
Attorney for Plaintiff
KALVYN ESCOBAR

DATED: March __, 2021

MIRHOSSEINI LAW GROUP

By: _____
Ali Mirhosseini, Esq.
Tina Starr, Esq.
Attorneys for Defendants
PRIME FINANCE CONSULTING, INC.,
HANIEH JODAT, and SHAHIN JOUDAT

DATED: March __, 2021

DEFENDANT PRIME FINANCE CONSULTING,
INC.

By: _____

Print Name: SHAHIN JOUDAT

Title: Chief Executive Officer

Dated: March __, 2021

HANIEH JODAT

Dated: March __, 2021

SHAHIN JOUDAT

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DATED: March __, 2021

PLAINTIFF KALVYN ESCOBAR

By: _____
KALVYN ESCOBAR

DATED: March __, 2021

LAW OFFICES OF NATALIE MIRZAYAN

By: _____
Natalie Mirzayan, Esq.
Attorney for Plaintiff
KALVYN ESCOBAR

DATED: March 24, 2021

MIRHOSSEINI LAW GROUP

By: Ali R. Mirhosseini
Ali Mirhosseini, Esq.
Tina Starr, Esq.
Attorneys for Defendants
PRIME FINANCE CONSULTING, INC.,
HANIEH JODAT, and SHAHIN JOUDAT

DATED: March 24, 2021

DEFENDANT PRIME FINANCE CONSULTING,
INC.

By:  _____
Print Name: SHAHIN JOUDAT
Title: Chief Executive Officer

Dated: March __, 2021

HANIEH JODAT

Dated: March 24, 2021

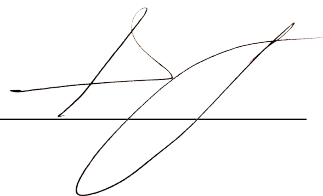
SHAHIN JOUDAT 

EXHIBIT 3

1 **LAW OFFICES OF NATALIE MIRZAYAN**

2 Natalie Mirzayan, Esq. (SBN 272217)
3 26632 Towne Centre Drive, Suite 300
4 Foothill Ranch, California 92610
Telephone: (949) 285-3550
mirzayanlaw@outlook.com

5 Attorneys for Plaintiff
6 KALVYN ESCOBAR

7 **MIRHOSSEINI LAW GROUP**

8 Ali Mirhosseini, Esq. (149919)
9 Tina Starr, Esq. (231309)
10 1502 N. Broadway
Santa Ana, California, 92706
ali@armlaw.net
tina@armlaw.net

11 Attorneys for Defendants
12 PRIME FINANCE CONSULTING, INC., HANIEH
13 JODAT, and SHAHIN JOUDAT

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **COUNTY OF ORANGE, CIVIL COMPLEX CENTER**
16

17 KALVYN ESCOBAR, individually and on	)	CASE NO.: 30-2020-01134584-CU-OE-CXC
18 behalf of all current and former similarly situated	)	
19 employees in the State of California,	)	ASSIGNED FOR ALL PURPOSES TO:
	)	HON. RANDALL J. SHERMAN
20 Plaintiff,	)	
	)	STIPULATION FOR CLASS ACTION
21 v.	)	SETTLEMENT
	)	
22 PRIME FINANCE CONSULTING, INC., a	)	Complaint Filed: February 26, 2020
23 California Corporation; HANIEH JODAT, an	)	FAC Filed: June 18, 2020
individual; SHAHIN JOUDAT, an individual,	)	
24 and DOES 1 to 50, inclusive,	)	
	)	
25 Defendants.	)	
26 _____	)	

INTRODUCTION AND RECITALS

1. This Stipulation for Class Action Settlement (“Stipulation” or “Agreement”) is made by and between the plaintiff Kalvyn Escobar (“Plaintiff” or “Escobar”), on behalf of himself and all members of the Settlement Class, as defined below, on the one hand, and defendant Prime Finance Consulting (“PFC”), Hanieh Jodat (“Jodat”), and Shahin Joudat (“Joudat”) (collectively “Defendants”) on the other hand, in the matter entitled *Kalvyn Escobar v. Prime Finance Consulting, et al.*, Orange County Superior Court Case No. 30-2020-01134584-CU-OE-CXC. (Plaintiff and Defendants are each a “Party” and together the “Parties”).

2. On February 26, 2020, Plaintiff filed a Class Action Complaint against Defendants, *inter alia*, for failure to pay overtime wages and minimum wage, as a result of misclassifying employees as independent contractors; failure to provide rest breaks and meal breaks or payment of compensation in lieu thereof; waiting time penalties for failure to timely pay wages of terminated or resigned employees; failure to furnish and maintain accurate payroll records; and unfair business practices in violation of Business & Professions Code § 17200, et seq. On June 18, 2020, Plaintiff filed a First Amended Class Action Complaint, (“FAC”) alleging the same claims and adding a claim for violation of California Private Attorney General Act (“PAGA”), Labor Code § 2699, et seq. The initial Class Action Complaint and the FAC will be collectively referred to as the “Action” or “Litigation.”

3. Defendants have denied and continue to deny each of the claims and contentions alleged by Plaintiff in the Litigation, including but not limited to the allegations that: Defendants misclassified Plaintiff and Members of the Class as independent contractors; failed to pay overtime and minimum wages; failed to provide rest breaks and meal breaks; failed to provide accurate wage statements; failed to timely pay all wages earned at termination or resignation; engaged in any unlawful, unfair or fraudulent business practices or wrongful conduct; or engaged in any conduct that would subject Defendants to any penalties under PAGA as alleged in the Litigation.

4. For settlement purposes only, the Parties agree that the settlement class of “Class

1 Members” is defined as set forth in § 12(M), herein. By this Stipulation, the Parties expressly state
2 their desire to settle claims and allegations raised by Plaintiff and Class Members in the Litigation.
3 The effective date of the settlement is the “Settlement Effective Date” as that term is defined in this
4 Stipulation. If for any reason the settlement is not approved by the Court, this Stipulation shall
5 become null and void and will be of no force or effect.

6 5. Plaintiff and Class Members contend that Defendants have violated California wage
7 and hour laws, as described herein, and that this case is appropriate for class certification.
8 Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the
9 Litigation, and further deny that this Action is appropriate for class treatment for any purpose other
10 than settling this Litigation. Defendants contend, among other things, that they complied at all times
11 with the California Labor Code, applicable California Wage Orders and the California Business and
12 Professions Code.

13 6. After the commencement of the Litigation, the Parties engaged in an informal
14 investigation and exchange of information and documents pertaining to the Covered Claims (as that
15 term is defined below). Based on the available records, Class Counsel (as that term is defined in
16 this Stipulation) and Defendants’ counsel diligently pursued a detailed and comprehensive
17 investigation of Class Members’ claims against Defendants, including (a) analysis of available
18 records, and other related policies pertaining to the claims alleged in the Litigation; (b) identification
19 of approximately 32 Class Members in the Litigation by Defendants, including an analysis of the
20 total number of workweeks and average hourly wages paid to the Class Members; (c) research of
21 the applicable law and potential defenses; and (e) consideration of information disclosed. The
22 Parties have performed a thorough study of the law relating to the claims alleged in the Litigation
23 and based on that investigation and discovery, and taking into account the heavily contested issues,
24 the expense and time necessary to pursue prosecution and defense of the Litigation through trial, the
25 risks and costs of further prosecution of the Litigation, the uncertainty of complex litigation, the
26 fairness and reasonableness of the settlement agreed to by the Parties, and the best interest of the
27 Class Members to whom substantial benefits will accrue, the Parties have agreed to the settlement
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1 described in this Stipulation.

2 7. The Parties engaged in arms-length negotiations, and based on the documents
3 provided by Defendants, the Parties were able to evaluate a realistic settlement range. Through
4 continued engagement in good faith settlement negotiations, the Parties were able to eventually
5 reach a settlement of the Litigation. Specifically, the Parties agreed to settle the Litigation and seek
6 court approval of the settlement. The Parties recognize that absent settlement, the issues presented
7 in the Litigation would likely have been contested with extensive and costly pretrial, motion and
8 trial proceedings, and that further litigation would cause inconvenience, distraction, disruption,
9 delay and expense disproportionate to the potential benefits of litigation.

10 8. Nothing contained in this Stipulation, including its existence, shall be construed or
11 deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of
12 Defendants. Nothing in this Stipulation shall constitute an admission by Defendants – except for
13 settlement purposes that the Litigation was properly brought as a class or representative action.
14 Settlement of the Litigation, the negotiation and execution of this Stipulation, and all acts performed
15 or documents executed pursuant to or in furtherance of this Agreement or the settlement: (i) are not,
16 shall not be deemed to be, and may not be used, as an admission or evidence of any wrongdoing or
17 liability on the part of Defendants or of the truth of any factual allegations in the Litigation; (ii) are
18 not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or
19 omission on the part of Defendants in any civil or administrative proceeding in any court,
20 administrative agency or other tribunal; and (iii) are not, shall not be deemed to be, and may not be
21 used as, an admission or evidence of the appropriateness of these or similar claims for class
22 certification or administration other than for purposes of administering this Stipulation.

23 9. Based on the available record, and their own independent investigation and
24 evaluations, counsel for Plaintiff and the Class Members are of the opinion that the settlement for
25 the consideration and on the terms set forth in this Stipulation are fair, reasonable and adequate and
26 in the best interest of the Plaintiff and Class Members in the light of all known facts, circumstances
27 and risks inherent in litigation, including potential appellate issues.

10. The purpose of this Stipulation is to settle and compromise the Covered Claims alleged by Plaintiff and Class Members against Defendants and the Released Parties (as defined below), the claims described herein, and the wage and hour claims which arise out of the factual allegations in the Litigation for the time period February 26, 2016, through the date of Preliminary Approval (the “Class Period”).

11. It is agreed by and among Plaintiff and Defendants that this Litigation and the damages, injunctions, remedies, penalties and interest arising out of the Litigation be settled and compromised as between Plaintiff and Class Members and Defendants, subject to the terms and conditions set forth in this Stipulation and the preliminary and final approval of the Court, with judgment entered in accordance with such order of final approval.

DEFINITIONS

12. In addition to the terms previously defined above, the terms below have the following meanings, with the understanding that the definitions will have no meaning or effect if the settlement is not approved by the Court:

A. **Administrative Costs.** All administrative costs of settlement, including cost of notice to the Settlement Class, claims administration (including preparation of required tax reporting forms and withholding of required taxes), and any fees and costs included or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation, shall not exceed the total amount of \$3,000.00.

B. **Agreement.** The terms “Agreement” or “Settlement Agreement” are used synonymously herein to mean this Stipulation.

C. Class Counsel. The term “**Class Counsel**” as used herein means the Law Offices of Natalie Mirzayan, and its lawyers, specifically including but not limited to Natalie Mirzayan, Esq., who is counsel for and acting on behalf of Plaintiff and the Settlement Class. The term “Class Counsel” shall be used synonymously with the term “Plaintiff’s Counsel.”

D. **Defendant.** The term “Defendants” as used herein means defendants Prime Finance Consulting (“PFC”), Hanieh Jodat (“Jodat”), and Shahin Joudat (“Joudat”) (collectively

1 “Defendants”).

2 E. **Employer Taxes and Employee Taxes.** “Employer Taxes” are taxes and
3 contributions imposed on the wage portions of the Net Settlement Payments, under the Federal
4 Insurance Contribution Act (“FICA”), including Social Security and Medicare contributions, the
5 Federal Unemployment Tax Act, and any similar state and local taxes and contributions required of
6 employers, such as for unemployment insurance, which are paid by the employer in addition to the
7 gross amount paid on an employee’s paycheck. “Employee Taxes” are state and federal income
8 taxes, employee shares of FICA contributions, and any other federal, state and local taxes (including
9 State Disability Insurance and Paid Family Leave contributions) on the wage portions of the Net
10 Settlement Payments, which are withheld from the gross amount paid on an employee’s paycheck.

11 F. **Litigation.** The term “Litigation” as used herein means the allegations set forth by
12 Plaintiff against Defendants in the Class Action Complaint and FAC as described in paragraph 2 of
13 this Stipulation and shall be used synonymously with the term “Action.”

14 G. **Plaintiff.** The term “Plaintiff” as used herein means Plaintiff Kalvyn Escobar.

15 H. **Net Settlement Amount.** The term “Net Settlement Amount” as used herein means
16 the amount of funds available for distribution to the Settlement Class after deducting from the Gross
17 Settlement Amount (as defined herein) the following amounts: (i) the attorneys’ fees and costs
18 awarded to Class Counsel; (ii) the fees and costs awarded to the Settlement Administrator; (iii) the
19 enhancement award to Plaintiff as provided herein; (iv) the PAGA payment to the LWDA as
20 provided herein; and (v) the payments by the Settlement Administrator for the Employer Taxes.
21 From the Net Settlement Amount, as described herein, Net Settlement Payments (as that term is
22 defined herein) will be distributed by the Settlement Administrator to Class Members as more fully
23 described below. The Employer Taxes shall be treated as an expense of Settlement Administration
24 and shall come out of the Gross Settlement Amount to satisfy all employer tax obligations relating
25 to the settlement payments prior to distribution of the settlement payments to the Class Members.

26 The below chart provides an estimated calculation of the Net Settlement Amount to
27 participating Class Members:
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1 duties as are described in this Agreement and/or as are customarily performed by settlement
2 administrators. Among its other duties as described in this Settlement, the Settlement Administrator
3 shall provide counsel for the Parties with a weekly report showing the number of opt-outs and
4 objections received.

5 The Parties agree that settlement administration costs shall not exceed \$3,000, based on a
6 written bid received from the Settlement Administrator. All disputes relating to the Settlement
7 Administrator's performance of its duties, after good-faith efforts by the Parties to first resolve such
8 disputes, will be referred to the Court, if necessary, which will have continuing jurisdiction over
9 this Agreement until all payments and obligations contemplated by this Agreement have been fully
10 completed.

11 L. **Settlement Amount and Gross Settlement Amount.** The terms "Settlement
12 Amount" and "Gross Settlement Amount" as used herein mean a non-revisionary settlement
13 payment by Defendants in the sum of One Hundred Ninety Thousand Dollars (\$190,000.00) to
14 resolve all claims, fees and costs relating to this Settlement, inclusive of all Net Settlement Payments
15 to the Settlement Class, the enhancement award to Plaintiff, fees and costs to the Settlement
16 Administrator, attorneys' fees and costs awarded to Class Counsel (as defined below), payment of
17 PAGA penalties to the LWDA, and the employer portion of payroll taxes and unemployment
18 insurance obligations. If, at the time of the Preliminary Approval, the then current Class size exceeds
19 32 employees (i.e., an increase of more than 10%), the Defendants agree to a proportionally increase
20 the amount of the Gross Settlement Amount. Defendants shall pay the Gross Settlement Amount
21 to the Settlement Administrator within five (5) business days of the Settlement Effective Date.

22 M. **Settlement Class, Class and Class Members.** For settlement purposes only, the
23 Parties agree to the certification of a class ("Class Members," "Class" or "Settlement Class")
24 pursuant to California Code of Civil Procedure section 382 defined as: All current and former
25 employees, who were employed by Defendants in the State of California during the Class Period in
26 the position of Student Loan Advisors, Student Loan Processors, or similar positions. Defendants
27 have identified that the Class size is approximately 32 employees. If, at the time of the Preliminary
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1 Approval, the ~~then current~~ Class size ~~exceeds 32 employees (i.e., an increase of increases by~~ more
2 than 10%); % (meaning 36 or more Class Members). Defendants agree to ~~a~~ proportionally increase
3 the ~~amount of the~~ Gross Settlement Amount. For example, if at the time of the Preliminary
4 Approval, the Class size increases by 10% to 36 employees, Defendants must increase the Gross
5 Settlement Amount by 10% to \$209,000.00. If the Class size increases by 30% to 42 Class
6 Members, then Defendants must increase the Gross Settlement amount by 30% to \$247,000.00.
7 Defendants shall pay the Gross Settlement Amount to the Settlement Administrator within five (5)
8 business days of the Settlement Effective Date. Settlement Period and Class Period. The term
9 “Settlement Period” as used herein means the period from February 26, 2016 through the date of
10 Preliminary Approval, unless otherwise mutually agreed by the Parties in writing, and shall be used
11 synonymously with the term “Class Period.”

12 N. **Settlement Effective Date.** The settlement embodied in this Stipulation shall
13 become effective on the fifth (5th) business day after all of the following events have occurred: (1)
14 the Stipulation has been executed by all Parties and their counsel; (2) the Court has given preliminary
15 approval to the Settlement; (3) the notice packet has been sent to Class Members, providing them
16 with an opportunity to verify their estimated share of the Net Settlement Payments, opt-out of the
17 Settlement or object to the terms of the Settlement; (4) the claims process has been completed; (5)
18 the Court has held a final fairness hearing certifying the class, approving the Settlement and entering
19 a final order and judgment; and (6) if there are any objections, the period for filing any appeal has
20 expired and there is no possibility of appeal or other judicial review (the “Settlement Effective
21 Date”). In the event that the Court does not approve the Settlement, or if the final order and judgment
22 is reversed on appeal, then there shall be no Settlement Effective Date and this Settlement
23 Agreement shall become null and void.

24 O. **“Covered Claims” or “Class Claims”.** Any and all federal (including FLSA),
25 state, local and common law claims for unpaid wages and overtime compensation (including but not
26 limited to any claims based on alleged improper misclassification as independent contractor, unpaid
27 minimum wages, unpaid rest breaks, unpaid meal periods, waiting time penalties, statutory penalties
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1 (including but not limited to penalties based on alleged wage statement and/or payroll record
2 violations), any and all civil penalties under the California Private Attorneys' General Act
3 ("PAGA") based on any claims related to the Action, and any alleged violation of any wage and
4 hour, wage payment, wage deduction, meal and rest break, recordkeeping, unfair business practice
5 or any other wage-related statutes, laws or regulations that are or could be asserted by any member
6 of the Class arising out of the acts alleged in the Litigation or arising out of the facts, matters,
7 transactions or occurrences set forth in the Litigation (collectively the "Class Claims"). Class
8 Claims shall also include any and all claims for attorneys' fees, costs, expenses, interest, penalties,
9 liquidated damages, punitive damages and any other damages or relief that have been or could have
10 been asserted by Plaintiff or any Class Member arising out of or relating to the facts alleged in the
11 Litigation. Specifically excluded from Class Claims are claims that cannot be waived as a matter of
12 law, including claims for workers' compensation and unemployment insurance benefits.

13 **P. Compensable Workweek.** A workweek during which a Class Member received
14 pay for work performed while employed by Defendants during the period of February 26, 2016
15 through the date of Preliminary Approval. A Compensable Workweek excludes every week during
16 which the Class Member was on an unpaid leave of absence, even if the Class Member was receiving
17 workers' compensation, disability insurance, Social Security, or Paid Family Leave benefits during
18 the unpaid leave.

19 **Q. Mailing Of Notice Of Class Action Settlement And Request For Exclusion.** The
20 Notice of Pendency of Class Action Settlement ("Notice") to be approved by the Court which will
21 be mailed by the Settlement Administrator to each Class Member explaining the terms of the
22 Settlement and the claims process. A copy of the Notice is attached hereto as Exhibit "1".

23 **R. Exclusion Form.** The form to be approved by the Court which will be mailed by
24 the Settlement Administrator to each Class Member who then must submit the Exclusion Form
25 ("Exclusion Form") to the Settlement Administrator in order to exclude themselves from this
26 Settlement. A copy of the Exclusion Form is attached hereto as Exhibit "2".
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1 S. The Settlement Administrator shall mail the Notice of Class Action Settlement, and
2 Request for Exclusion, to Class Members within 14 calendar days of receiving the Class Member
3 data from Defendants. The Settlement Administrator shall send the Notice of Class Action
4 Settlement, and Request for Exclusion to Class Members via First Class U.S. Mail, using the most
5 current, known mailing address for each Class Member based on information provided by
6 Defendants. Upon receipt of this information from Defendants, the Settlement Administrator shall
7 perform a search based on the National Change of Address Database maintained by the United States
8 Postal Service to update and correct any known or identifiable address changes.

9 T. **Excluded Class Member.** The term “Excluded Class Member” means a Class Member
10 who has timely submitted a written request to be excluded from the Settlement. To be valid, the
11 Request for Exclusion must: (a) state the full name, address, telephone number and last four digits
12 of the Social Security Number of the Class Member requesting exclusion; (b) clearly state that the
13 Class Member wishes to Opt-Out of the Class and be excluded from the Settlement; (c) be signed
14 by the Class Member; and (d) be properly and timely mailed to the Settlement Administrator prior
15 to the Response Deadline (the “Request for Exclusion”). Excluded Class Members will not be
16 included in the Settlement and will have no right to receive any money under the Settlement or to
17 object to the Settlement.

18 U. **Re-mailing Of Returned Notices.** Any mailing returned to the Settlement
19 Administrator as undeliverable shall be sent within 3 business days via First Class U.S. Mail to the
20 forwarding address affixed thereto. If no forwarding address is provided, the Settlement
21 Administrator shall attempt to determine the correct address by again using the National Change of
22 Address Database maintained by the United States Postal Service to update and correct any known
23 or identifiable address changes. Following this procedure, the Settlement Administrator shall
24 perform a single re-mailing via First Class U.S. Mail within 3 business days.

25 V. **Participating Class Member.** The term “Participating Class Member” means a Class
26 Member who has not opted-out of the Class to be eligible to receive an individual Settlement
27 Payment from the Net Settlement Amount.
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W. **Preliminary Approval.** Preliminary Approval shall mean the Court's order granting preliminary approval of the class action settlement based on the terms stated herein.

X. **Final Approval.** Final Approval means the Court's order granting final approval of the class action settlement based on the terms stated herein and the Court entering a final Judgment.

JURISDICTION

13. The Court refers to and means the Superior Court of the State of California, County of Orange, (the “Court”), which has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendants deny them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court gives final approval of the Settlement and after it has entered judgment, the Court shall retain jurisdiction of this action pursuant to California Code of Civil Procedure section 664.6 for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set forth herein.

STIPULATION OF CLASS CERTIFICATION

14. The Parties stipulate to the certification of this Settlement Class solely for purposes of the Resolution only. This Stipulation is contingent upon the preliminary and final approval and certification of the Settlement Class only for purposes of the Resolution. Should the Resolution not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Resolution shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation.

PRELIMINARY APPROVAL

15. The Parties shall submit to the Court a Joint Motion for Preliminary Approval of class action settlement no later than April 1, 2021 requesting an order preliminarily approving the Settlement, including the Notice, and Exclusion as explained herein, and including a request for the Court to order the conditional certification of the Settlement Class for settlement purposes only, which will be supported and not opposed by Defendants. The date that the Court grants Preliminary

1 Approval of this Agreement will be the "Preliminary Approval Date." Class Counsel will prepare
2 the Motion for Preliminary Approval, subject to review and final approval by Defendants prior to
3 filing. The Motion for Preliminary Approval will also include a request for the Court to
4 preliminarily appoint Plaintiff's Counsel as Class Counsel, to preliminarily approve Plaintiff as the
5 Class Representative, to appoint Phoenix Class Action Administration Solution, Inc. as the
6 Settlement Administrator, to set a date for the Final Approval Hearing, and to seek such other orders
7 from the Court as are necessary to obtain Preliminary Approval.

8 **STATEMENT OF NO ADMISSION**

9 16. Defendants deny any and all liability to Plaintiff and the Settlement Class upon any
10 claim or cause of action. This Agreement does not constitute, and is not intended to constitute an
11 admission by Defendants as to the merits, validity, or accuracy of any of the allegations made against
12 them in the Litigation or of any liability, culpability or wrongdoing by Defendants or any of its
13 agents or employees.

14 17. Nothing in this Agreement, nor any action taken in implementation thereof, nor any
15 statements, discussions, or communications, nor any materials prepared, exchanged, issued or used
16 during the course of the negotiations leading to this Agreement or the Resolution, is intended by the
17 Parties to constitute, nor will any of the forgoing constitute, be introduced, be used or be admissible
18 in any way in this Litigation or any other judicial, arbitral, administrative, investigative or other
19 forum or proceeding as evidence of any violation of any state, local law, statute, ordinance,
20 regulation, rule or any obligation or duty at law or in equity. The Parties themselves agree not to
21 introduce, use, or admit this Agreement, directly or indirectly, in this Litigation or any other judicial,
22 arbitral, administrative, investigative or other forum or proceeding, or to any agency, as purported
23 evidence of any violation of any state, local law, statute, ordinance, regulation, rule or any obligation
24 or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement
25 may be used in any proceeding before the Court that has as its purpose the interpretation,
26 implementation, or enforcement of this Agreement or any orders or judgments of the Court entered
27 in connection with the Resolution.
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1 18. None of the documents produced or created by Plaintiff or the Settlement Class in
2 connection with the claims procedures or claims resolution procedures (including the Notice and
3 Exclusion Forms) is intended to constitute, an admission by Defendants of any violation of any state,
4 local law, statute, ordinance; regulation, rule or any obligation or duty at law or in equity.

5 19. The Parties agree that class certification pursuant to California Code of Civil
6 Procedure section 382 under the terms of this Agreement is for settlement purposes only. Nothing
7 in this Agreement will be construed as an admission or acknowledgement of any kind that any class
8 should be certified or given collective treatment in the Litigation or in any other action or
9 proceeding. Further, this Agreement will not be admissible in any court or other tribunal regarding
10 the propriety of class certification or collective treatment. In the event that this Agreement is not
11 approved by the Court or is terminated, or otherwise fails to be enforceable, Plaintiff will not be
12 deemed to have waived, limited or affected in any way any claims, rights or remedies in the
13 Litigation, and Defendants will not be deemed to have waived, limited, or affected in any way any
14 of its objections or defenses in the Litigation.

15 20. **Effect of Failure to Obtain Preliminary Approval.** If this Settlement or Agreement
16 or a substantially similar settlement mutually agreed to by the Parties is not preliminarily approved,
17 the Action shall proceed as if no settlement had been attempted and revert back to its prior procedural
18 posture. The Parties may, however, jointly agree to seek reconsideration of the ruling on the
19 Settlement or Court approval of a renegotiated settlement.

20 **TERMS OF SETTLEMENT**

21 1. **Class Certification.** For settlement purposes only, the Parties stipulate that a class
22 may be certified (the Settlement Class), as described in Paragraph 12.M. of this Agreement. The
23 Parties agree that certification for settlement purposes under the lenient standard applied to
24 settlements is in no way an admission that class certification is proper under the more stringent
25 standard applied for litigation purposes, and that evidence of this limited stipulation for settlement
26 purposes only will not be deemed admissible in this or any other proceeding.

27 2. **Settlement Amount.** Defendants' maximum non-reversionary payment of the
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1 Settlement Amount under the Settlement is One Hundred and Ninety Thousand Dollars
2 \$190,000.00, from which payments will be as follows subject to the Court's approval: (1) up to forty
3 (40%) or Seventy-Six Thousand Dollars (\$76,000.00) in attorneys' fees to Class Counsel, and Class
4 Counsel's reasonable litigation costs which is estimated not to exceed \$8,000; (2) up to Ten-
5 Thousand Dollars (\$10,000.00) as the Enhancement Award payment to Plaintiff, (3) up to \$3,000.00
6 in reasonable costs incurred by the Settlement Administrator to administer the Settlement; (4)
7 \$15,000.00 as payment of PAGA penalties, of which 75% or \$11,250.00 will be paid to the Labor
8 Workforce Development Agency ("LWDA") of the State of California; (5) all Employer Taxes due
9 on the Net Settlement Amount(s) to be paid to the Participating Class Members, which are estimated
10 to be approximately \$5,436.38 in Employer Taxes; and (6) the Net Settlement Amount, including
11 Net Settlement Payments to Participating Class Members. Defendants shall pay the Gross
12 Settlement Amount to the Settlement Administrator within five (5) business days of the Settlement
13 Effective Date.

14 **3. Payment of Net Settlement Payments to Class Members.** After the Net Settlement
15 Amount has been determined, Net Settlement Payments shall be made out of the Net Settlement
16 Amount to Class Members who have not opted-out. The value of each Participating Class Member's
17 claim shall be based on his or her number of Compensable Workweeks.

18 **4. Calculation of Payments to Class Members.** Defendants will provide the
19 Settlement Administrator with the total number of Compensable Workweeks for Participating Class
20 Members. After the Net Settlement Amount is determined, the Settlement Administrator will divide
21 the Net Settlement Amount by the total number of Compensable Workweeks for all Participating
22 Class Members ("Work Week Rate Amount") and then multiply this amount by each Participating
23 Class Member's total number of Compensable Workweeks to yield that employee's Net Settlement
24 Payment or "Individual Settlement Payment" amount.

25 **5.** The amount paid to each Participating Class Member who has not opted-out of the
26 Settlement shall be allocated as follows: one-third (1/3) shall be attributed to wages, and two-thirds
27 (2/3) shall be attributed to interest and penalties. The Parties agree that the wages claimed by the
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1 Plaintiff and the Class Members in the Litigation are the subject of a genuine dispute between the
2 Parties, and the amount being paid as wages pursuant to this Settlement represents a compromise of
3 those disputed claims, which are denied and contested by Defendants. Accordingly, the parties
4 acknowledge that the provisions of California Labor Code section 206.5 do not apply to this
5 Settlement.

6 6. One third (1/3) of the total amount of Net Settlement Payments to Class Members
7 will be treated as payments in settlement of wage claims, subject to W-2 reporting. Applicable tax
8 deductions and payroll withholdings for Employee Taxes will be taken from this portion of the
9 Settlement Amount. The employer portion of payroll taxes and unemployment insurance
10 obligations shall be treated as an expense of administration and shall come out of the Gross
11 Settlement Amount to satisfy all Employer Tax obligations relating to the settlement payments prior
12 to distribution of the settlement payments to the Participating Settlement Class Members.
13 Settlement Administrator will issue a Form W-2 to each Participating Class Member who has not
14 opted-out of the Settlement reflecting the wage portion of each individual Net Settlement Payment.
15 Two thirds (2/3) of the total amount of Net Settlement Payments to Participating Class Members
16 will be treated as payment in settlement of claims for interest and penalties. Settlement
17 Administrator will report the latter portion of the payments by means of an IRS Form 1099.

18 7. **No Credit Towards Benefit Plans.** Neither the terms of this Settlement nor any of
19 the amounts paid to Plaintiff or any Participating Class Member shall have any effect on the
20 eligibility or calculation of any employee benefits. The Parties agree that any Individual Settlement
21 Payment amounts paid to Participating Class Members under the terms of this Settlement do not
22 represent any modification of any Participating Class Member's previously credited hours of service
23 or other eligibility criteria, and will not be utilized to calculate any additional benefits, vesting or
24 credit under any employee pension benefit plan, employee welfare benefit plan or other program or
25 policy sponsored by Defendants or any of its affiliates, including but not limited to any profit-sharing
26 plans, pension plans, 401(k) plans, bonus plans, stock purchase plans, vacation plans, PTO plans,
27 paid sick leave plans, or any other company sponsored plans or employee benefits. Further, the
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amounts paid to Participating Class Members shall not be considered wages, compensation or annual earnings for benefits in any year for purposes of determining any rights, eligibility, hours of service, benefit accruals, calculations, contributions or amounts to which any Participating Class Member may be entitled with respect to an such employee pension benefit plan, employee welfare benefit plan or other program or policy sponsored by Defendants or any of its affiliates.

8. **Settlement Amount Funding and Settlement Payment Due Date.** Within five (5) business days of the Settlement Effective Date, Defendants will deposit the Gross Settlement Amount into a Qualified Settlement Fund (as defined below) established by the Settlement Administrator. Within five (5) business days after receipt of the Gross Settlement Amount, the Settlement Administrator shall mail the PAGA payment to the LWDA, the Enhancement Award payment to the Class Representative, and the Court-approved attorneys' fees and costs to Class Counsel. Within five (5) business days after receipt of the Gross Settlement Amount, the Settlement Administrator shall mail the applicable Net Settlement Payments to the Participating Class Members.

WAIVER, RELEASE AND DISMISSAL

9. **Release By Class Members.** Upon the date that the Court grants final approval of the Settlement, Plaintiff and the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class, hereby do and will be deemed to have fully, finally and forever waived, released, settled, compromised, relinquished and discharged Defendants, their respective parents, subsidiaries, affiliates, related entities, predecessors or successors in interest, and each of their respective owners, officers, directors, shareholders, partners, members, managing agents, employees, consultants, attorneys, joint venturers, agents, successors, assigns, insurers, or reinsurers or any of them, and other related persons and entities ("Released Parties"), from any and all claims, charges, complaints, controversies, suits, causes of action, rights, debts, liabilities, costs, losses, demands, damages, judgments, obligations, equitable relief, or expenses of any kind, whether known or unknown, suspected or unsuspected, including any claims for statutory or other attorneys' fees and costs (collectively "Claims"), arising out of or derived from state or local law or federal

1 law (including the FLSA), which were or could have been asserted based upon the facts alleged in
2 the Litigation by Plaintiff and the Settlement Class in the Litigation based upon alleged violations
3 of California Labor Code sections 201, 202, 203, 226, 226.7, 221, 224, 225, 226.8, 245.5-249, 450,
4 510, 512, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, et seq., 2750.3, and 2802, and
5 any applicable Wage Orders applying those Labor Code sections, and Business and Professions
6 Code section 17200, et seq., and from any and all Claims arising out of or derived from state or local
7 law or federal law (including the FLSA), which were alleged or could have been alleged based on
8 the factual allegations pled in the Litigation relating to the Covered Claims, for the period from
9 February 26, 2016 through the Preliminary Approval Date (the "Release"). The Release shall be
10 fully binding on each and every Class Member, other than any Excluded Class Member, regardless
11 of whether the Class Member receives an Individual Settlement Payment, provided, however, that
12 the Release shall not include the release of claims under the FLSA unless the Class Member actually
13 cashes his or her Individual Settlement Payment. In addition, on the date the Court grants final
14 approval of the Settlement, all Class Members, except for Excluded Class Members, will ~~be~~
15 ~~permanently enjoined and forever~~ barred as a matter of law from prosecuting any and all Covered
16 Claims against the Released Parties.

17 **10. Plaintiff's Civil Code section 1542 Release.** In addition to the Release made in
18 Paragraph 9, Plaintiff makes the additional following general release ("General Release") of all
19 claims, known or unknown, that Plaintiff has against the Released Parties. Plaintiff, on his behalf
20 and on behalf of his respective heirs, successors, assigns, agents, attorneys, representatives and other
21 related persons and entities that may claim by, through or under them, in consideration for the
22 amounts paid to Plaintiff under this Stipulation, including any enhancement award that may be paid
23 to Plaintiff, upon the Court's final approval of the Settlement, hereby fully and finally waives,
24 releases and discharges the Released Parties from all known and unknown claims he may have
25 against the Released Parties, of every nature or description whatsoever. This General Release of
26 claims includes Covered Claims and claims released in this Stipulation, and any and all known or
27 unknown contract, tort, statutory, common law, constitutional, public policy, and other claims of
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1 any type whatsoever, including claims based on employment discrimination, harassment, retaliation
2 or any other rights afforded to employees, to the fullest extent such claims are releasable by law,
3 arising out of the Litigation, Plaintiff's employment with Defendants, Plaintiff's termination from
4 employment, and the Released Parties, through the Date of Preliminary Approval. Plaintiff waives
5 all rights under Section 1542 of the California Civil Code, which section reads as follows:

6 **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
7 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
8 **FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF**
9 **KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS**
10 **OR HER SETTLEMENT WITH THE DEBTOR."**

11 Specifically excluded from this waiver; however, are claims that cannot be waived as a
12 matter of law, including claims for workers' compensation and unemployment insurance benefits.

13 Plaintiff agrees and acknowledges that he is not required to settle at this time, but voluntarily
14 chooses to do so by entering into this Stipulation.

15 **SETTLEMENT ADMINISTRATOR**

16 11. Phoenix Class Action Administrator Solutions will serve as the Settlement
17 Administrator for this Settlement, subject to the Court's approval. All Settlement administration
18 costs, in an amount to be approved by the Court but not to exceed \$3,000.00, shall be taken from
19 the Gross Settlement Amount. An IRS Form 1099 will be issued by Defendants to Settlement
20 Administrator for this payment. The Parties further agree that to the extent administration costs are
21 below the \$3,000.00 limit, such amount will inure to the benefit of the Class Members as explained
22 herein. The Settlement Administrator shall perform all of the duties as described in this Agreement,
23 including those set forth in Paragraph 12.K.

24 12. Within fourteen (14) calendar days after the Court grants preliminary approval of the
25 Settlement, Defendants will provide the Settlement Administrator with the dates of employment and
26 total workweeks for each Class Member. At the same time, Defendants will provide the Settlement
27 Administrator with current contact information (i.e., last known addresses, telephone numbers and
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1 Social Security numbers) for all Class Members (the "Class List"). The Class List contains
2 confidential, personal and/or private information of the Class Members and will be transmitted via
3 password protected means. The Settlement Administrator shall keep the Class List strictly
4 confidential and shall not disclose the information to any other person or entity. Defendants further
5 agree to consult with the Settlement Administrator prior to the production of the Class List to ensure
6 that the format will be acceptable to the Settlement Administrator. Among its other duties as
7 described in this Settlement, the Settlement Administrator shall provide counsel for the Parties with
8 a weekly report showing the number of opt-outs and objections received.

9
10 13. Within fourteen (14) calendar days of receipt of the Class List, the Settlement
11 Administrator will mail the Notice and Exclusion Form to the Class Members as described below.

12 **NOTICE, OBJECTIONS AND EXCLUSION RIGHTS**

13 14. **Notice.** Plaintiff and Defendants, through their respective attorneys, have jointly
14 prepared a Notice, and the Exclusion Form attached hereto as Exhibit 1-2 to this Agreement and
15 incorporated herein by reference, both subject to Court approval, which will be provided to the
16 members of the Settlement Class.

17 15. **Class Members' Consideration Period.** Class Members shall be provided 45 calendar
18 days to exercise any rights with regard to the Settlement, following the postmark date of the initial
19 mailing of the Notice of Class Action Settlement, and the Request for Exclusion. Except as
20 specifically provided herein, no Class Member responses of any kind that are postmarked more than
21 45 calendar days after the initial mailing of the Notice shall be considered. Responses from Class
22 Members must be postmarked for mail with the U.S. Postal Service. Responses sent by facsimile,
23 email, or other forms of electronic transmission will not be considered.

24 16. The Settlement Administrator shall run all the addresses provided by Defendants through
25 the United States Postal Service NCOA database (which provides updated addresses for any
26 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
27 forwarding address) to obtain current address information. The Settlement Administrator shall mail
28 the Notice and Exclusion Form to the members of the Settlement Class via first-class regular U.S.

1 Mail using the most current mailing address information available, within fourteen (14) calendar
2 days after receiving the Class List from Defendants. The Notice shall provide the members of the
3 Settlement Class forty-five (45) days' notice of all applicable dates and deadlines, with this period
4 to begin running on mailing of the Notice and Exclusion Form by the Settlement Administrator.

5 17. The Notice will also include information regarding the nature of the Litigation, a
6 summary of the terms of the Resolution, the definition of the Settlement Class, the procedure and
7 time period for objecting to the Resolution, the date and location of the Final Approval hearing, a
8 statement that the Court has preliminarily approved the Resolution, information regarding the opt-
9 out procedure, and Defendants' calculation of the number of full workweeks that the member of the
10 Settlement Class has worked as an employee of Defendants' in California at any time during the
11 period from February 26, 2016 to the Preliminary Approval date. The Notice (Exhibit 1) shall
12 enclose the Exclusion Form (each in the form attached hereto as Exhibit 2).

13 18. If a Notice is returned from the initial notice mailing, the Settlement Administrator shall
14 conduct a skip tracing in an attempt to locate a more current address. If the Settlement Administrator
15 is successful in locating a new address, it will re-mail the Notice to the member of the Settlement
16 Class. Any Notices returned with a forwarding address to the Settlement Administrator, as non-
17 deliverable before the deadline date, shall be sent to the forwarding address affixed thereto.

18 19. No later than forty-five (45) days prior to the Final Approval Hearing, the Settlement
19 Administrator shall provide counsel for Defendants and Class Counsel with a declaration attesting
20 to the completion of the Notice process, including the number of attempts to obtain valid mailing
21 addresses for and re-sending of any returned Notices, as well as the number of valid opt-outs,
22 objections, and deficiencies which the Settlement Administrator received.

23 20. **Request for Exclusion and Opt Out Rights.** Class Members shall be given the
24 opportunity to opt out of the Settlement.

25 21. **Opt Out Procedures.** Class Members may opt out of the Settlement by mailing to the
26 Settlement Administrator a Request for Exclusion, substantially in the form attached as Exhibit 2.
27 Any such Request for Exclusion must be postmarked not more than 45 calendar days after the
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1 postmark date of the initial mailing of the Notice of Class Action Settlement and the Request for
2 Exclusion. To be a valid Request for Exclusion, a Class Member must provide his or her name (and
3 former names, if any), current address, current telephone number, and last four digits of their Social
4 Security Number. Any Request for Exclusion that does not include all of the required information
5 or that is not submitted in a timely manner will be deemed null, void, and ineffective. If there is a
6 dispute regarding the timeliness or validity of a Request for Exclusion, the Settlement
7 Administrator shall make the determination, after consultation with Class Counsel and Defense
8 Counsel. Requests for Exclusion from Class Members must be postmarked for mail with the U.S.
9 Postal Service. Requests for Exclusion sent by facsimile, email, or other forms of electronic
10 transmission will not be considered.

11 22. **Effect of Opt Out.** Any Class Member who opts out of the Settlement may not
12 object to the Settlement, shall not receive any Individual Settlement Payment, and shall not be bound
13 by the Released Claims provisions in this Agreement. However, because the proposed Settlement
14 includes the settlement of claims for civil penalties under PAGA, Class Members may not request
15 exclusion from the Settlement of PAGA claims. Thus, if the Court approves this Settlement, and
16 even if a Class Member submits a Request for Exclusion from the Settlement, the Class Member
17 will receive an Individual Settlement Share for the PAGA claims only and will be deemed to have
18 released the PAGA claims. A Request for Exclusion will only preserve a Class Member's right to
19 individually pursue only the remaining Released Claims. If a Class Member submits both a Request
20 for Exclusion and an Objection, the Class Member's Objection will be invalid and the Request for
21 Exclusion will be deemed valid, provided it is postmarked no later than 45 days after the first
22 postmark date of mailing the Notice of Class Action Settlement. Each Class Member who does not
23 opt out of the Settlement shall be bound by the applicable Released Claims provisions in this
24 Agreement, including the Released Claims.

25 23. Neither Party will encourage any Class Member to opt out of or object to this
26 Settlement. If a Settlement Class Member contacts Class Counsel, Class Counsel may discuss the
27 terms of the Resolution and the Settlement Class Member's options, as stated herein.
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1 24. **Objection Rights.** Because the Settlement Class will be certified by the Court, only
2 Class Members who do not opt out of the Settlement shall be entitled to object to the terms of the
3 Settlement.

4 25. **Objection Procedures.** Class Members' objections to the Settlement or this Agreement
5 must be made using the procedures set forth in the Notice of Class Action Settlement. Class
6 Members may either orally object, or otherwise offer comments at the Final Fairness Hearing either
7 in person or through counsel, or may submit a written Objection. Class Members need not file any
8 written Objection with the Court. Any written Objection must be mailed to the Settlement
9 Administrator and postmarked no later than 45 days after the first postmark date of mailing the
10 Notice of Class Action Settlement. An Objection shall be deemed to be submitted as of the
11 postmarked date. The written Objection must contain: (1) the name and case number of this lawsuit
12 *Kalyvn Escobar v. Prime Finance Consulting, et al.*, Orange County Superior Court Case No. 30-
13 2020-01134584-CU-OE-CXC; (2) the full name, last four digits of their Social Security Number,
14 and current address of the Class Member making the Objection; (3) the specific reason(s) for the
15 Objection; and (4) any and all evidence and supporting papers (including, without limitation, all
16 briefs, written evidence, and declarations) for the Court to consider. Class Members may withdraw
17 their Objections at any time. Class Members who submit an Objection remain bound by this
18 Agreement. If a Settlement Class member objects to this Agreement, the Settlement Class member
19 will remain a member of the Settlement Class and if the Court approves this Agreement, the
20 Settlement Class member will be bound by the terms of the Agreement and Final Approval in the
21 same way and to the same extent as a Settlement Class member who does not object. The Settlement
22 Administrator shall provide copies of all Objections to Class Counsel and counsel for Defendants
23 promptly upon receipt of the Objection. Class Counsel shall submit all Objections to the Court at
24 the time of filing the Motion for Final Approval of the Settlement. The Court retains final authority
25 with respect to the consideration and admissibility of any Settlement Class member's objections.
26 Plaintiff and Defendants will be permitted to respond in writing to any written objections by no
27 later than seven (7) calendar days before the Final Approval hearing.
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1 26. The Parties expressly agree that objecting Class Members are not entitled to recover any
2 attorneys' fees or costs from Class Counsel's fee award. This Agreement specifically bars recovery
3 of attorney fees and costs for objectors even if the objection has added genuine value to the
4 Settlement. Objections from Class Members must be postmarked for mail with the U.S. Postal
5 Service. Objections sent by facsimile, email, or other forms of electronic transmission will not be
6 considered.

7 27. **Waiver of Objection Rights.** Class Members who fail to make Objections in the
8 manner specified in the Notice of Class Action Settlement shall be deemed to have waived any
9 Objections and shall be foreclosed from making any Objection, whether by appeal or otherwise, to
10 this Agreement.

11 28. **Proof of Class Members' Responses.** By not later than 75 calendar days after the
12 initial mailing of the Notice of Class Action Settlement and Request for Exclusion, the Settlement
13 Administrator will prepare and submit a declaration attesting to (by number of relevant individuals)
14 its mailing of the Notice of Class Action Settlement, its inability to deliver any mailing due to invalid
15 addresses, and its receipt of valid Requests for Exclusion. ~~16 calendar days prior to the Final~~
16 ~~Fairness Hearing, the Settlement Administrator will prepare a supplemental declaration to submit to~~
17 ~~the Court, to indicate the number of valid timely claims, objections, and opt-out Requests for~~
18 ~~Exclusion.~~

19 29. **Binding Effect of Settlement.** Although some Class Members might not receive or
20 timely submit the Notice of Class Action Settlement or the Request for Exclusion, as provided under
21 this Settlement and Agreement, due to inability to locate their current address following the
22 procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the
23 terms of this Settlement and Agreement and the ~~Final Order Judgment made~~ and ~~Dismissal entered~~
24 ~~by the Court~~ with Prejudice.

25 30. **Disputes Regarding Compensable Work Weeks.** The Notice of Class Action
26 Settlement will list each Class Member's number of Compensable Workweeks worked, for purposes
27 of determining the Individual Settlement Payment. If a Class Member disputes the number of
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1 Workweeks worked on the Notice of Class Action Settlement, the Class Member must produce, by
2 no later than forty-five (45) days from the date the Notice of Class Action Settlement is postmarked,
3 evidence to the Settlement Administrator showing that such information is inaccurate. All disputes
4 will be decided within seven (7) business days from the date the dispute is received by the Settlement
5 Administrator. The Settlement Administrator and the Parties will attempt to resolve the dispute;
6 however, any unresolved dispute, will be ultimately decided by the Court. If the member of the
7 Settlement Class does not dispute the number of Eligible Workweeks set forth in the Notice, such
8 person need not take further action to participate in the Resolution.

9 31. **Qualified Settlement Fund.** The Gross Settlement Amount paid by Defendants shall
10 be deposited into an account established by the Settlement Administrator as a “Qualified Settlement
11 Fund” within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and
12 Treas. Reg. Section 1.468B-1, *et seq.*, (the “Settlement Fund”) and shall be administered by the
13 Settlement Administrator pursuant to the final terms of the Settlement as approved by the Court.
14 The Claims Administrator shall request and obtain from the IRS an appropriate Tax ID for the
15 Settlement Fund. The Claims Administrator shall serve as a Trustee of the Settlement Fund and
16 shall act as a fiduciary with respect to the handling, management and distribution of the Settlement
17 Fund, including the handling of all tax-related issues, reporting and payments. The Claims
18 Administrator shall act in a manner necessary to qualify and maintain the Settlement Fund as a
19 Qualified Settlement Fund and the Parties shall cooperate to ensure such treatment and shall not take
20 a position in any filing or before any tax authority inconsistent with such treatment.

21 32. After the Settlement Effective Date, the Settlement Administrator shall cause the
22 Individual Settlement Payments, Court approved Enhancement Award to Plaintiff, Court approved
23 attorneys' fees and costs, and payment of PAGA penalties to the LWDA, to be paid as provided in
24 Paragraph 8 above. If a check is returned to the Settlement Administrator as undeliverable, the
25 Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a
26 skip trace search and, if another address is identified, shall mail the check to the newly identified
27 address. If any settlement check is uncashed after 180 days, will be delivered to the California
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1 Uncashed Check Fund to be held as “Unclaimed Property” in the name of the Settlement Class
2 member. The Settlement Administrator shall notify Class Counsel and Defendants’ Counsel of any
3 undeliverable checks.

4 **ATTORNEYS' FEES AND COST**

5 33. Plaintiff requests, and Defendants shall not oppose, an application by Class Counsel to
6 the Court seeking an award of attorneys' fees not to exceed Seventy-Six Thousand Dollars
7 (\$76,000.00) of the Gross Settlement Amount, which represents forty percent (40%) of the Gross
8 Settlement Amount, to compensate Class Counsel for all past and future attorneys' fees necessary to
9 prosecute, settle and administer the Litigation and this Resolution, including for the work performed
10 and all work remaining to be performed in documenting the Settlement, securing the Court's
11 approval of the Settlement, administering the Settlement, ensuring that the Settlement is fairly
12 administered and implemented, and obtaining judgment, to be paid out of the Gross Settlement
13 Amount and not from any additional payment by Defendants.

14 34. Additionally, Plaintiff requests, and Defendants shall not oppose, an application by Class
15 Counsel to the Court seeking payment to Class Counsel for the reasonable litigation costs, in an
16 amount estimated not to exceed Eight Thousand Dollars (\$8,000), which represents all past and
17 future attorneys' costs and expenses necessary to prosecute, settle and administer the Litigation and
18 implementing the terms of this Resolution incurred by Class Counsel, to be paid out of the Gross
19 Settlement Amount and not from any additional payment by Defendants.

20 35. Any attorneys' fees or costs awarded to Class Counsel by the Court shall be deducted
21 from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The
22 Parties further agree that this Settlement is not conditioned on the Court awarding the full amount
23 of attorneys’ fees and costs requested by Class Counsel and if the Court should approve a lesser
24 percentage or amount of fees and/or costs than the amount that Class Counsel ultimately seeks, then
25 the unapproved portion or portions shall become part of the Net Settlement Amount and shall be
26 distributed to Class Members on a pro rata basis based on the total number of Compensable
27 Workweeks. The Settlement Administrator will issue an IRS Form 1099 to Class Counsel with
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1 respect to the fees and costs awarded to Class Counsel.

2 **ENHANCEMENT AWARD TO PLAINTIFF**

3 36. Defendants shall not oppose an application by Plaintiff to the Court, and Plaintiff shall
4 not seek or receive an amount in excess of Ten Thousand Dollars (\$10,000.00), to be paid out of the
5 Gross Settlement Amount, as an enhancement for his service as Class Representative and for his
6 participation in and assistance with the Litigation (the "Enhancement Award"), subject to approval
7 by the Court and conditioned on Plaintiff's execution of the General Release as set forth in Paragraph
8 10 above, by Plaintiff signing this Stipulation, in addition to any payment he may otherwise receive
9 as a Class Member. Any enhancement awarded to Plaintiff by the Court shall be deducted from the
10 Gross Settlement Amount for the purpose of determining the Net Settlement Amount. Plaintiff
11 understands and agrees that this Settlement is not conditioned on the Court awarding the full amount
12 of the Enhancement Award requested by Plaintiff and that if the Court approves an enhancement of
13 less than \$10,000.00 to Plaintiff, the amount not awarded shall become part of the Net Settlement
14 Amount and shall be distributed to the Participating Class Members on a pro rata basis based on the
15 total number of Compensable Workweeks. The Settlement Administrator will issue an IRS Form
16 1099 to Plaintiff for his enhancement payment, and Plaintiff will be fully responsible for correctly
17 characterizing this compensation for tax purposes and for paying any taxes owing on said amount.

18 **TAX RESPONSIBILITY**

19 37. Neither Defendants nor Class Counsel are making any representations as to the tax
20 treatment or legal effect of the payments called for under this Settlement, and Plaintiff and the
21 Participating Class Members are not relying on any statement or representation by Class Counsel or
22 Defendants in this regard. Additionally, notwithstanding any prior agreement, practice or policy of
23 Defendants or any Released Party to the contrary, Plaintiff and each Participating Class Member
24 shall be solely and fully responsible for any and all taxes under all federal, state and local tax laws
25 with respect to the Individual Settlement Payment to be made to each Participating Class Member,
26 except for the Employee Taxes withheld by the Settlement Administrator and the Employer Taxes
27 to be paid by the Settlement Administrator.
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PAGA AWARD AND PENALTY PAYMENTS

38. The Parties agree as part of this Stipulation to allocate Fifteen Thousand Dollars (\$15,000.00) from the Gross Settlement Amount to fully settle and resolve all PAGA penalty claims as alleged in the Litigation, subject to approval by the Court. From this \$15,000.00 PAGA settlement amount, the Settlement Administrator shall issue a check from the Settlement Fund in the amount of Eleven-Thousand Two-Hundred-Fifty Dollars (\$11,250.00), which represents seventy-five percent (75%) of the \$15,000 amount, to be paid to the Labor and Workforce Development Agency ("LWDA") of the State of California. The remaining Three-Thousand Seven-Hundred-Fifty Dollars (\$3,750.00), which represents twenty-five percent (25%) of the \$15,000 PAGA settlement amount, will become part of the Net Settlement Amount and will be distributed to the Participating Class Members on a pro-rata basis based on the total number of Compensable Workweeks.

39. In the event that the Court determines that a greater amount than \$15,000 needs to be allocated to the payment of PAGA penalties, this amount shall be paid from the Gross Settlement Amount, but in no event shall it increase the Gross Settlement Amount, unless mutually agreed to by the Parties in writing.

COURT APPROVAL

40. This Agreement and the Resolution is contingent upon the Court granting Final Approval of the Resolution and entering judgment. Plaintiff and Defendants agree to take all steps as may be reasonably necessary to secure both Preliminary Approval and Final Approval of the Resolution by the Court, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining the Court's Final Approval of the Resolution in all respects. Plaintiff and Defendants expressly agree that they will not file any objection (as opposed to request for correction) to the terms of this Stipulation of Resolution or assist or encourage any person or entity to file any such objection.

41. Promptly upon the execution of this Stipulation, Plaintiff shall file (and Defendants shall not oppose) a Joint Motion for Preliminary Approval of the Settlement, subject to final review and

1 approval by Defendants prior to filing. Specifically, Plaintiff will apply to the Court for the entry of
2 an Order:

- 3 (a) That the proposed Settlement should be preliminary approved as fair, reasonable and
4 adequate as to the Class;
- 5 (b) Approving as to form and content the proposed Notice to the Class;
- 6 (c) Approving as to form and content the proposed Exclusion Form;
- 7 (d) Directing the mailing of the Notice, and the Exclusion Form by first-class mail to the
8 Class Members;
- 9 (e) Preliminarily certify the Class for purposes of Settlement only;
- 10 (f) Approving Class Counsel, Class Representative, and the Settlement Administrator; and
- 11 (g) Setting a Final Approval Hearing date with sufficient time to allow the Parties and the
12 Settlement Administrator to complete the Notice and Claims process, calculate the
13 settlement payments and tax and reporting obligations, and prepare and file the Motion
14 for Final Approval.

15 42. After completion of the Notice and Claims process, Class Counsel shall be
16 responsible for preparing and filing the Joint Motion for Final Approval with the Court in sufficient
17 time prior to the Final Approval Hearing date, including all necessary supporting Declarations,
18 [Proposed] Orders and Judgment, motions for attorneys' fees and costs, and the Enhancement
19 Award, all subject to final review and approval by Defendants prior to filing with the Court.

20 43. Counsel for the Parties shall have the right, subject to approval by the Court as to
21 the new date, to continue or reschedule the original scheduled Final Approval Hearing date without
22 providing any notice to the Class Members of the new date for the hearing, except for any Class
23 Members who have timely submitted any Objections to the Settlement.

24 **MISCELLANEOUS PROVISIONS**

25 44. This Agreement constitutes the entire agreement between Plaintiff and Defendants
26 and shall supersede and replace any prior agreement by the Parties. Except as expressly provided
27 herein, this Agreement has not be executed in reliance upon any other written or oral representations
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1 or terms, and no such extrinsic oral or written representations or terms shall modify, vary or
2 contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be
3 construed according to its terms and may not be varied or contradicted by extrinsic evidence. The
4 Agreement will be interpreted and enforced under the laws of the State of California, both in its
5 procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim
6 arising out of or relating to the Agreement, or the subject matter hereof, will be resolve solely and
7 exclusively in the Superior Court of the State of California for the County of Orange, and Plaintiff
8 and Defendants hereby consent to the personal jurisdiction of the Court over them in connection
9 therewith. Plaintiff, on his own behalf and on behalf of the Settlement Class, and Defendants
10 participated in the negation and drafting of this Agreement. As such, neither Plaintiff nor
11 Defendants may claim that any ambiguity in this Agreement should be construed against the other.

12 45. The terms and conditions of this Agreement constitute the exclusive and final
13 understanding and expression of all agreements between Plaintiff and Defendants with respect to
14 the Resolution of the Litigation. The Agreement may be modified only by a writing signed by the
15 original signatories and approved by the Court.

16 46. Plaintiff, Defendants and their respective attorneys shall proceed diligently to prepare and
17 execute all documents, to seek the necessary Court approvals, and to do all things reasonably
18 necessary or convenient to consummate the Agreement as expeditiously as possible.

19 47. The Agreement may be executed in one or more actual or non-original counterparts,
20 all of which will be considered one and the same instrument and all of which will be considered
21 duplicate originals.

22 48. Each individual signing below warrants that he or she has the authority to execute
23 this Agreement on behalf of the party for whom or which that individual signs.

24 49. To the extent that any deadline set forth in this Agreement falls on a Saturday,
25 Sunday, or legal holiday, that deadline shall be continued until the following business day.

26 50. In the event that any one or more of the provisions contained in this Agreement shall
27 for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
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unenforceability shall in no way effect any other provision if Defendants and Class Counsel, on behalf of the parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

51. If the Court does not grant final approval of this Settlement, or if any part of the Court's final approval of this Settlement is reversed, then this Settlement will become null and void. In such case, the Settlement shall not be used or be admissible in any subsequent proceedings in any Court or forum.

52. The settlement payments to Class Members under this Settlement shall not be deemed "pensionable" earnings and shall not have any effect on the eligibility for, or calculation of, any Plaintiff or Class Member employee benefits (including but not limited to retirement plans, vacation, and holiday pay). The Parties agree that the Settlement payments to Participating Class Members do not represent any modification of any employee's previously-credited hours of service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy sponsored by Defendants or any of its affiliates. Further, the Settlement payments shall not be considered wages, compensation, or annual earnings for benefits in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan, employee welfare benefit plan, or other program or policy sponsored by Defendants or any of its affiliates.

53. The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged in this Settlement.

54. Each of the Parties has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expense. This Settlement shall be inadmissible in evidence in any proceeding, except an action or proceeding to approve, interpret, or enforce its terms. In connection with any such proceeding to approve, interpret or enforce the Settlement, the Parties agree that this Settlement shall be binding and enforceable between them,

1 and admissible in a Court of law, including for purposes of California Evidence Code section 1123.

2 55. In the event that one or more of the Parties institutes any legal action, or other
3 proceeding against any other Party or Parties to enforce the provisions of this Settlement, or to
4 declare rights or obligations under this Settlement, the successful Party or Parties shall be entitled
5 to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in
6 connection with any enforcement actions.

7 56. The Parties agree that this Settlement shall not be construed in favor of or against
8 any Party by reason of the extent to which any Party or his or its counsel participated in its drafting.
9 Paragraph titles or captions contained in this Settlement are a matter of convenience and for
10 reference, and in no way define, limit, extend, or describe the scope of this Settlement or any
11 provision.

12 57. This Agreement shall be binding upon, and shall inure to the benefit of the Parties,
13 including Class Counsel, Class Representative, and Class Members, as well as their successors,
14 spouses, children, representatives, heirs, administrators, executors, beneficiaries, conservators,
15 attorneys, estates, and assigns.

16 58. Neither Class Counsel nor defense counsel intend anything contained in this
17 Stipulation for Settlement to constitute legal advice regarding the taxability of any amount paid
18 hereunder, nor shall it be relied upon as such.

19 59. **Waiver of Right to Appeal.** Class Members who did not timely file and serve an
20 objection to the Settlement, hereby waive any and all rights to appeal from the Final Order approving
21 the settlement, including all rights to any post-judgment proceeding and appellate proceeding, such
22 as motion to vacate or set-aside judgment, a motion for new trial, and any extraordinary writ, and
23 the Final Order approving the settlement therefore will become final and non-appealable at the time
24 it is entered.

25 60. This Settlement and Agreement was made and entered into in the State of California.
26 All terms of this Agreement shall be governed by and interpreted according to the substantive laws
27 of the State of California and the procedural laws of the United States of America.
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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

[SIGNATURES ON NEXT PAGE]

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Dated: _____, 2021

KALVYN ESCOBAR

Dated: _____, 2021

HANIEH JODAT

Dated: _____, 2021

SHAHIN JOUDAT

APPROVED AS TO FORM

Dated: _____, 2021

MIRHOSSEINI LAW GROUP

Ali Mirhosseini, Esq.
Tina Starr, Esq.

Attorney for PRIME FINANCE
CONSULTING, INC., HANIEH JODAT,
and SHAHIN JOUDAT

Dated: _____, 2021

LAW OFFICES OF NATALIE MIRZAYAN

Natalie Mirzayan, Esq.

Attorney for Plaintiff
KALVYN ESCOBAR

EXHIBIT 4

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER**

Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.,

Case No. 30-2020-01134584-CU-OE-CXC

NOTICE OF CLASS ACTION SETTLEMENT

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

YOU HAVE BEEN IDENTIFIED AS A CURRENT OR FORMER EMPLOYEE WHO WAS EMPLOYED BY PRIME FINANCE CONSULTING, INC IN CALIFORNIA DURING THE PERIOD FROM FEBRUARY 26, 2016 THROUGH [INSERT DATE PRELIMINARY APPROVAL DATE]

Notice is hereby given that a proposed settlement (the "Settlement") of the class action lawsuit filed in Orange County Superior Court, entitled *Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.*, Case No. 30-2020-01134584-CU-OE-CXC (the "Action"), has been reached by Kalvyn Escobar ("Plaintiff") on behalf of himself and other similarly situated current and former employees and Prime Finance Consulting, Inc. ("PFC"), Hanieh Jodat ("Jodat"), and Shahin Joudat ("Joudat") (collectively "Defendants"), and has been granted preliminary approval by the Orange County Superior Court. You may be entitled to recover money as a result.

A hearing to address the fairness, adequacy and reasonableness of the Settlement will be held on [Insert Date], 2021 to determine whether the Settlement should receive the Court's final approval. Because your rights may be affected, it is important that you read this Notice carefully.

You have been identified as a current or former employee who performed work in California for Defendants at any time during the period of February 26, 2016 through the date of Preliminary Approval, which is [Insert Date]. **You do not need to do anything further to participate in this settlement and receive a settlement payment upon the Court granting final approval of this settlement.**

If you do nothing, you will continue your participation in this lawsuit, and you will be impacted by the outcome of this case. This means you will **receive** a settlement payment in exchange for giving up any rights you may have to sue Defendants in your own lawsuit for the same legal claims made in this lawsuit.

However, if you would like to be excluded from the settlement and **not** receive your share of the settlement amount, you must submit a written Request for Exclusion by [Insert Date], 2021 as described further below.

1. PURPOSE OF THIS NOTICE

The Orange County Superior Court has ordered that this Notice be sent to you because you have been identified as a potential member of the settlement class. The settlement class ("Settlement Class" or "Class Members") is defined as follows:

All current and former employees, who were employed by Defendants in the State of California during the Class Period, which is February 26, 2016 through [Insert Preliminary Approval Date], in the position of Student Loan Advisors, Student Loan Processors, or similar positions.

Receipt of this Notice means that you may be entitled to share in the proceeds from the proposed Settlement. The purpose of this Notice is to: (a) provide a brief description of the Action; (b) inform you of the proposed Settlement; and (c) discuss your rights and options with respect to the Action and the Settlement.

2. DESCRIPTION OF THE ACTION

On February 26, 2020 Plaintiff filed a Class Action Complaint against Defendants alleging failure to pay overtime wages and minimum wage, including as a result of misclassifying employees as independent contractors; failure to provide rest breaks and meal breaks or payment of compensation in lieu thereof; waiting time penalties for failure to timely pay wages of terminated or resigned employees; failure to furnish and maintain accurate payroll

records; and unfair business practices in violation of Business & Professions Code § 17200, et seq. On June 18, 2020, Plaintiff filed a First Amended Class Action Complaint, ("FAC") alleging the same claims and adding a claim for violation of the California Private Attorneys General Act ("PAGA"), Labor Code § 2699, et seq. The initial Class Action Complaint and the FAC will be collectively referred to as the "Action" or "Litigation."

Defendants denied and continue to deny each of the claims and contentions alleged by Plaintiff in the Litigation, including but not limited to the allegations that: Defendants misclassified employees as independent contractors; failed to pay overtime and minimum wages; failed to provide rest breaks and meal breaks; failed to provide accurate wage statements; failed to timely pay all wages earned at termination or resignation; engaged in any unlawful, unfair or fraudulent business practices or wrongful conduct; or engaged in any conduct that would subject Defendants to any penalties under PAGA as alleged in the Litigation.

The Orange County Superior Court has made no ruling on the merits of Plaintiff's claims alleged in the Litigation or the defenses asserted by Defendants in the Litigation and there has been no trial on the merits relating to these claims. Defendants deny the allegations and assert that they have no liability to Plaintiff or the Settlement Class. Plaintiff believes that the claims have merit. Both Plaintiff and Defendants have agreed to settle, resolve and compromise the claims in order to avoid the costs and risks of litigation, and Class Counsel believes that the Settlement is in the best interests of the Class Members. The Court has preliminarily approved the proposed Settlement. The Court will decide whether to give final approval to the Settlement at a hearing scheduled for [Insert Date], 2021.

3. WHO ARE THE ATTORNEYS REPRESENTING THE CLASS MEMBERS?

Attorneys for Plaintiff and the Settlement Class ("Class Counsel") in the Action are:

LAW OFFICES OF NATALIE MIRZAYAN
NATALIE MIRZAYAN, ESQ.
26632 Towne Centre Drive, Suite 300
Foothill Ranch, California 92610
Telephone: (949) 285-3550
Email: mirzayanlaw@outlook.com

4. WHAT DOES THIS PROPOSED SETTLEMENT PROVIDE FOR?

Defendants have agreed to pay a maximum sum of One Hundred and Ninety Thousand Dollars \$190,000.00 under the Settlement. This amount shall be referred to herein as the Gross Settlement Amount. The Gross Settlement Amount will be used to cover all payments to the Settlement Class, settlement administration costs, attorneys' fees and costs, enhancement award, the employer portion of payroll taxes and unemployment insurance, and payment to the California Labor and Workforce Development Agency ("LWDA") as PAGA penalties. All settlement administration costs, employer portion of payroll taxes and unemployment insurance, attorneys' fees and costs, payments to LWDA, and enhancement award shall be deducted from the Gross Settlement Amount. The remaining amount shall constitute the Net Settlement Amount.

The following is a summary of the Settlement provisions. The specific and complete terms of the proposed Settlement are stated in the Stipulation for Class Action Settlement between Plaintiff and Defendants ("Settlement Agreement"), a copy of which is filed with the Clerk of the Court. You can also obtain a copy of the Settlement Agreement from Class Counsel.

Payment to Settlement Class Members: Each individual who was employed by Defendants in California as at any time during the period of February 26, 2016 through [Insert Preliminary Approval Date] (the "Settlement Period") shall receive a pro-rata share of the Net Settlement Amount based on his or her total number of workweeks he/she worked for Defendants during the Settlement Period ("Compensable Workweeks"). However, Compensable Workweeks exclude any full week during which you were on an unpaid leave of absence during the Settlement Period. Specifically, the value of each Participating Class Member's claim shall be based on his or her total number of Compensable Workweeks.

The Settlement Administrator will calculate the total Compensable Workweeks for all Settlement Class Members. The Settlement Administrator will divide the Net Settlement Amount by the total number of

Compensable Workweeks for all Class Members ("Work Week Rate Amount") and then multiply this amount by each Class Member's total number of Compensable Workweeks to yield each Class Member's estimated Individual Settlement Payment. After final approval of the Settlement, the Individual Settlement Payments will be adjusted (i.e., increased) on a pro-rata basis to account for those Class Members who opted-out of the Settlement.

Defendants have agreed to pay a non-revisionary Gross Settlement Amount. Accordingly, opting out will not directly result in Defendants paying a smaller settlement amount, but instead it will result in the Participating Class Members each receiving a larger portion of the Settlement. **Both Defendants and Plaintiff's Counsel encourage you to participate in the Settlement. Under no circumstances will any Class Member be subjected to any retaliation of any kind for deciding to participate in the Settlement or not.**

Payment to Settlement Class Members will be characterized for tax purposes as follows: one-third (1/3) wages; two-thirds (2/3) penalties and interest. The portion of the settlement payment to Class Members representing wages will be reduced by payroll tax withholdings or deductions. The Settlement Administrator will issue an IRS Form W-2 on the wage portion and an IRS Form 1099 on the non-wage portion of the Individual Settlement Payments. Each Settlement Class Member will be responsible for paying proper federal, state and local taxes on the settlement amounts received by the Class Member.

5. AMOUNTS TO BE DEDUCTED FROM THE GROSS SETTLEMENT AMOUNT.

(a) Attorneys' Fees and Costs: Defendants have agreed that if the Settlement is granted final approval by the Court, Defendants will pay Class Counsel's reasonable attorneys' fees and costs from the Gross Settlement Amount, upon application to be filed by Class Counsel, up to a maximum amount of (40%) of the Settlement Amount or Seventy-Six Thousand Dollars (\$76,000.00), as determined by the Court. Class Counsel may further seek to recover costs up to the amount of \$8,000, as approved by the Court. The attorneys' fees and costs approved by the Court will be deducted from the Gross Settlement Amount.

(b) Enhancement Award: Plaintiff, Kalvyn Escobar, will be seeking an enhancement award of up to \$10,000.00, to be determined by the Court. The enhancement award is to compensate Plaintiff for undergoing the burden and expense of the Litigation. The enhancement award will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Parties have estimated that the settlement administration costs will be approximately \$3,000.00. The settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Labor and Workforce Development Agency: As part of the Settlement, Defendants have agreed that \$15,000.00 will be allocated to PAGA penalties as settlement of the PAGA claims, of which 75% or \$11,250.00 will be paid to the Labor and Workforce Development Agency. This amount will be deducted from the Gross Settlement Amount, and the remaining 25% or \$3,750.00 will become part of the Net Settlement Amount.

(e) Employer Payroll Taxes: The employer portion of payroll taxes and unemployment insurance with respect to the wage portion of the Individual Settlement Payments made to the Class Members is estimated to be approximately \$5,436.38, this amount will be deducted from the Gross Settlement Amount.

6. RELEASE OF CLAIMS

Upon the date that the Court grants final approval of the Settlement, Plaintiff and the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class, hereby do and will be deemed to have fully, finally and forever waived, released, settled, compromised, relinquished and discharged Defendants, their respective parents, subsidiaries, affiliates, related entities, predecessors or successors in interest, and each of their respective owners, officers, directors, shareholders, partners, members, managing agents, employees, consultants, attorneys, joint venturers, agents, successors, assigns, insurers, or reinsurers of any of them, and other related persons and entities ("Released Parties"), from any and all claims, charges, complaints, controversies, suits, causes of action, rights, debts, liabilities, costs, losses, demands, damages, judgments, obligations, equitable relief, or expenses of any kind, whether known or unknown, suspected or unsuspected, including any claims for statutory or other attorneys' fees and costs, interest, penalties, or liquidated damages (collectively "Claims"), arising out of or derived from state or local law or federal law (including the FLSA), which were or could have been asserted based upon the facts alleged in the Litigation by Plaintiff and the Settlement Class based upon alleged violations of California Labor Code sections 201, 202, 203, 226, 226.7, 221, 224, 225, 226.8, 245.5-249, 450, 510, 512, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, *et seq.*, 2750.3, and 2802, and

any applicable Wage Orders applying those Labor Code sections, and Business and Professions Code section 17200, *et seq.*, and from any and all Claims arising out of or derived from state or local law or federal law (including the FLSA), which were alleged or could have been alleged based on the factual allegations pled in the Litigation relating to the Covered Claims, for the period from February 26, 2016 through the Preliminary Approval Date **[Insert Preliminary Approval Date]** (the “Release”). The Release shall be fully binding on each and every Class Member, other than any Excluded Class Member, regardless of whether the Class Member receives an Individual Settlement Payment, provided, however, that the Release shall not include the release of claims under the FLSA unless the Class Member actually cashes his or her Individual Settlement Payment. In addition, on the date the Court grants final approval of the Settlement, all Class Members, except for Excluded Class Members, will be barred as a matter of law from prosecuting any and all Covered Claims against the Released Parties.

7. YOUR OPTIONS

As a member of Settlement Class, you have several options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you agree with the number of Compensable Workweeks provided in this Notice, then you do not need to do anything further to participate in the Settlement. If you do nothing, you will continue your participation in this lawsuit, and you will be impacted by the outcome of this case. By doing nothing, **you will receive a settlement payment upon final approval of the Settlement** by the Court and you will be bound to the judgment, including the Release described in the Notice.

(b) You Can Dispute The Number of Workweeks but Still Participate in the Settlement.

As a Class Member you have been provided with this Notice which reflects a calculation of your estimated share of the Net Settlement Amount based on your Compensable Workweeks during the Settlement Period as determined by Defendants.

If you want to participate in the Settlement but you disagree with the number of Compensable Workweeks attributed to you during the Settlement Period, or if any information in this Notice is incorrect, then please state what you believe is the correct information, and sign and return your statement of dispute with any supporting documents to the Settlement Administrator on or prior to the Response Deadline, which is **[Insert Date]**.

(c) You Can Opt-Out or Exclude Yourself from the Settlement Class (You Will Not Receive Any Money under the Settlement).

If you do **not** want to remain a member of the Settlement Class, you can request exclusion from the Settlement Class (i.e., opt out) by sending the Settlement Administrator a timely and properly completed written Request for Exclusion on or prior to the Response Deadline, which is **[Insert Date]**. The written Request for Exclusion must include your name, former names (if any), current address, telephone number, the last four digits of your Social Security number, and you must expressly state that you wish to be excluded from the Settlement Class in *Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.*, Case No. 30-2020-01134584-CU-OE-CXC. The Request for Exclusion must be signed by you and it must be postmarked to the Settlement Administrator by the Response Deadline. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, or are not signed, will be deemed null, void, and ineffective. **If you opt out or exclude yourself from the Settlement Class, you will no longer be a member of the Settlement Class, you will not receive any benefits under the Settlement, and you will be barred from objecting to this Settlement.** By opting out of the class, you will retain whatever rights or claims you may have, if any, against Defendants, which you may bring personally solely bearing the risk and expense of litigation. Unless you timely request to be excluded from the Settlement, you will be bound to the judgment upon final approval of the Settlement, including the Release described in the Notice.

The proposed settlement includes the settlement claims for civil penalties under PAGA. Class Members may not request exclusion from the Settlement of PAGA claims. Thus, if the Court approves this Settlement, then even if you request exclusion from the Settlement, you still will receive an Individual Settlement Share for the PAGA claims and will be deemed to have released the PAGA claims. A Request for Exclusion will preserve your right to individually pursue only the remaining class claims.

(d) You Can Object To The Settlement.

If you are a member of the Settlement Class who does not opt out of the class, you may object to the Settlement, either in writing or by appearing at the Final Approval hearing. To object in writing, you or your attorney must submit your written objection to the Settlement Administrator by mail postmarked on or before [Insert Date], in which you state the basis of your objection, and provide any papers or briefs in support of your position. All written objections must be signed by you or your attorney and should contain your or your attorney's address, telephone number, and the name of the case (*Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.*, Case No. 30-2020-01134584-CU-OE-CXC), and verify your membership in the Settlement Class. You are not required to appear at the Final Approval Hearing in order for the Court to consider your objection if you submitted written objections to the Settlement Administrator. However, whether or not you submit any written objections to the Settlement Administrator, if you wish to be heard at the Final Approval Hearing to object, you may appear, personally or through an attorney (retained at your own expense), at the Final Approval Hearing to present your objection directly to the Court. Your objection at the Final Approval Hearing should clearly explain why you object to the Settlement. If you object to the Settlement, either in writing or at the Final Approval Hearing, and if the Court approves the Settlement, you will be bound by the terms of the Settlement Agreement in the same way as a Settlement Class member who does not object. If you do not object to the Settlement, either in writing or at the Final Approval Hearing, you will have waived your right to object at any time after the Final Approval Hearing.

8. HOW DO I RECEIVE A PAYMENT?

If you wish to be considered for any payment under this Settlement, you must **not** submit a Request for Exclusion. If you do **not** submit a Request for Exclusion, you will receive a share of your Individual Settlement Payment.

Your Individual Settlement Payment is based on the number of Compensable Workweeks you worked during the period covered by the Settlement. Defendants' records show that you have [Insert Number of Compensable Workweeks Worked]. If you dispute the number of Compensable Workweeks worked in this Notice, you may produce, by no later than forty-five (45) days from the date the Notice is postmarked, evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator and the parties will attempt to resolve any disputes within seven (7) business days from the date the dispute is received by the Settlement Administrator. Any unresolved disputes will be ultimately decided by the Court.

9. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

You are not required to attend the Final Approval Hearing or file an objection, although you may do both, provided that you have not opted-out. The Final Approval Hearing on the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, the enhancement award, and Class Counsel's request for attorneys' fees and costs, will be held on [Insert Date], 2021, at 10:00 a.m. before Hon. Judge Randall J. Sherman, Department CX-105, at the Orange County Superior Court, Civil Complex Center, 751 W. Santa Ana Blvd, Santa Ana, California 92701. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, you may contact the Settlement Administrator to confirm the date and time.

9. ADDITIONAL INFORMATION.

This Notice only summarizes the lawsuit, the Settlement Agreement and related matters. For more information, you may inspect the Court file at the Orange County Superior Court, Civil Complex Center, 751 W. Santa Ana Blvd, Santa Ana, California 92701, from 9:00 a.m. to 4:30 p.m., Monday through Friday. Any questions regarding this Notice, the Action, or the Litigation may be sent to the Settlement Administrator at the above address and telephone number. Alternatively, you may contact your own attorney (retained at your own expense), to advise you, or you may contact Class Counsel at the address and telephone number set forth above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE OR FOR INFORMATION REGARDING THIS SETTLEMENT

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER**

Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.,

Case No. 30-2020-01134584-CU-OE-CXC

NOTICE OF CLASS ACTION SETTLEMENT

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YOU HAVE BEEN IDENTIFIED AS A CURRENT OR FORMER EMPLOYEE WHO WAS EMPLOYED BY PRIME FINANCE CONSULTING, INC IN CALIFORNIA DURING THE PERIOD FROM FEBRUARY 26, 2016 THROUGH [INSERT DATE PRELIMINARY APPROVAL DATE]

Notice is hereby given that a proposed settlement (the "Settlement") of the class action lawsuit filed in Orange County Superior Court, entitled *Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.*, Case No. 30-2020-01134584-CU-OE-CXC (the "Action"), has been reached by Kalvyn Escobar ("Plaintiff") on behalf of himself and ~~ethers~~ other similarly situated current and former employees and Prime Finance Consulting, Inc. ("PFC"), Hanieh Jodat ("Jodat"), and Shahin Joudat ("Joudat") (collectively "Defendants"), and has been granted preliminary approval by the Orange County Superior Court. You may be entitled to recover money as a result.

A hearing to address the fairness, adequacy and reasonableness of the Settlement will be held on [Insert Date], 2021 to determine whether the Settlement should receive the Court's final approval. Because your rights may be affected, it is important that you read this Notice carefully.

You have been identified as a current or former employee who performed work in California for Defendants at any time during the period of February 26, 2016 through the date of Preliminary Approval, which is [Insert Date]. **You do not need to do anything further to participate in this settlement and receive a settlement payment upon the Court granting final approval of this settlement.**

If you do nothing, you will continue your participation in this lawsuit, and you will be impacted by the outcome of this case. This means you will **receive** a settlement payment in exchange for giving up any rights you may have to sue Defendants in your own lawsuit for the same legal claims made in this lawsuit.

However, if you would like to be excluded from the settlement and **not** receive your share of the settlement amount, you must submit a written Request for Exclusion by [Insert Date], 2021 as described further below.

1. PURPOSE OF THIS NOTICE

The Orange County Superior Court has ordered that this Notice be sent to you because you have been identified as a potential member of the settlement class. The settlement class ("Settlement Class" or "Class Members") is defined as follows:

All current and former employees, who were employed by Defendants in the State of California during the Class Period, which is February 26, 2016 through [Insert Preliminary Approval Date], in the position of Student Loan Advisors, Student Loan Processors, or similar positions.

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2. DESCRIPTION OF THE ACTION

On February 26, 2020 Plaintiff filed a Class Action Complaint against Defendants alleging failure to pay overtime wages and minimum wage, including as a result of misclassifying employees as independent contractors; failure to provide rest breaks and meal breaks or payment of compensation in lieu thereof; waiting time penalties for failure to timely pay wages of terminated or resigned employees; failure to furnish and maintain accurate payroll

records; and unfair business practices in violation of Business & Professions Code § 17200, et seq. On June 18, 2020, Plaintiff filed a First Amended Class Action Complaint, ("FAC") alleging the same claims and adding a claim for violation of the California Private Attorneys General Act ("PAGA"), Labor Code § 2699, et seq. The initial Class Action Complaint and the FAC will be collectively referred to as the "Action" or "Litigation."

Defendants denied and continue to deny each of the claims and contentions alleged by Plaintiff in the Litigation, including but not limited to the allegations that: Defendants misclassified employees as independent contractors; failed to pay overtime and minimum wages; failed to provide rest breaks and meal breaks; failed to provide accurate wage statements; failed to timely pay all wages earned at termination or resignation; engaged in any unlawful, unfair or fraudulent business practices or wrongful conduct; or engaged in any conduct that would subject Defendants to any penalties under PAGA as alleged in the Litigation.

The Orange County Superior Court has made no ruling on the merits of Plaintiff's claims alleged in the Litigation or the defenses asserted by Defendants in the Litigation and there has been no trial on the merits relating to these claims. Defendants deny the allegations and assert that they have no liability to Plaintiff or the Settlement Class. Plaintiff believes that the claims have merit. Both Plaintiff and Defendants have agreed to settle, resolve and compromise the claims in order to avoid the costs and risks of litigation, and Class Counsel believes that the Settlement is in the best interests of the Class Members. The Court has preliminarily approved the proposed Settlement. The Court will decide whether to give final approval to the Settlement at a hearing scheduled for [Insert Date], 2021.

3. WHO ARE THE ATTORNEYS REPRESENTING THE CLASS MEMBERS?

Attorneys for Plaintiff and the Settlement Class ("Class Counsel") in the Action are:

LAW OFFICES OF NATALIE MIRZAYAN
NATALIE MIRZAYAN, ESQ.
26632 Towne Centre Drive, Suite 300
Foothill Ranch, California 92610
Telephone: (949) 285-3550
Email: mirzayanlaw@outlook.com

4. WHAT DOES THIS PROPOSED SETTLEMENT PROVIDE FOR?

Defendants have agreed to pay a maximum sum of One Hundred and Ninety Thousand Dollars \$190,000.00 under the Settlement. This amount shall be referred to herein as the Gross Settlement Amount. The Gross Settlement Amount will be used to cover all payments to the Settlement Class, settlement administration costs, attorneys' fees and costs, enhancement award, the employer portion of payroll taxes and unemployment insurance, and payment to the California Labor and Workforce Development Agency ("LWDA") as PAGA penalties. All settlement administration costs, employer portion of payroll taxes and unemployment insurance, attorneys' fees and costs, payments to LWDA, and enhancement award shall be deducted from the Gross Settlement Amount. The remaining amount shall constitute the Net Settlement Amount.

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(a) Attorneys' Fees and Costs: Defendants have agreed that if the Settlement is granted final approval by the Court, Defendants will pay Class Counsel's reasonable attorneys' fees and costs from the Gross Settlement Amount, upon application to be filed by Class Counsel, up to a maximum amount of (40%) of the Settlement Amount or Seventy-Six Thousand Dollars (\$76,000.00), as determined by the Court. Class Counsel may further seek to recover costs up to the amount of \$8,000, as approved by the Court. The attorneys' fees and costs approved by the Court will be deducted from the Gross Settlement Amount.

(b) Enhancement Award: Plaintiff, Kalvyn Escobar, will be seeking an enhancement award of up to \$10,000.00, to be determined by the Court. The enhancement award is to compensate Plaintiff for undergoing the burden and expense of the Litigation. The enhancement award will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Parties have estimated that the settlement administration costs will be approximately \$3,000.00. The settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Labor and Workforce Development Agency: As part of the Settlement, Defendants have agreed that \$15,000.00 will be allocated to PAGA penalties as settlement of the PAGA claims, of which 75% or \$11,250.00 will be paid to the Labor and Workforce Development Agency. This amount will be deducted from the Gross Settlement Amount, and the remaining 25% or \$3,750.00 will become part of the Net Settlement Amount.

(e) Employer Payroll Taxes: The employer portion of payroll taxes and unemployment insurance with respect to the wage portion of the Individual Settlement Payments made to the Class Members is estimated to be approximately \$5,436.38, this amount will be deducted from the Gross Settlement Amount.

6. RELEASE OF CLAIMS

Upon the date that the Court grants final approval of the Settlement, Plaintiff and the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class, hereby do and will be deemed to have fully, finally and forever waived, released, settled, compromised, relinquished and discharged Defendants, their respective parents, subsidiaries, affiliates, related entities, predecessors or successors in interest, and each of their respective owners, officers, directors, shareholders, partners, members, managing agents, employees, consultants, attorneys, joint venturers, agents, successors, assigns, insurers, or reinsurers of any of them, and other related persons and entities ("Released Parties"), from any and all claims, charges, complaints, controversies, suits, causes of action, rights, debts, liabilities, costs, losses, demands, damages, judgments, obligations, equitable relief, or expenses of any kind, whether known or unknown, suspected or unsuspected, including any claims for statutory or other attorneys' fees and costs, interest, penalties, or liquidated damages (collectively "Claims"), arising out of or derived from state or local law or federal law (including the FLSA), which were or could have been asserted based upon the facts alleged in the Litigation by Plaintiff and the Settlement Class based upon alleged violations of California Labor Code sections 201, 202, 203, 226, 226.7, 221, 224, 225, 226.8, 245.5-249, 450, 510, 512, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, *et seq.*, 2750.3, and 2802, and

any applicable Wage Orders applying those Labor Code sections, and Business and Professions Code section 17200, *et seq.*, and from any and all Claims arising out of or derived from state or local law or federal law (including the FLSA), which were alleged or could have been alleged based on the factual allegations pled in the Litigation relating to the Covered Claims, for the period from February 26, 2016 through the Preliminary Approval Date [Insert Preliminary Approval Date] (the “Release”). The Release shall be fully binding on each and every Class Member, other than any Excluded Class Member, regardless of whether the Class Member receives an Individual Settlement Payment, provided, however, that the Release shall not include the release of claims under the FLSA unless the Class Member actually cashes his or her Individual Settlement Payment. In addition, on the date the Court grants final approval of the Settlement, all Class Members, except for Excluded Class Members, will be ~~permanently enjoined and forever~~ as a matter of law barred from prosecuting any and all Covered Claims against the Released Parties.

7. YOUR OPTIONS

As a member of Settlement Class, you have several options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you agree with the number of Compensable Workweeks provided in this Notice, then you do not need to do anything further to participate in the Settlement. If you do nothing, you will continue your participation in this lawsuit, and you will be impacted by the outcome of this case. By doing nothing, **you will receive a settlement payment upon final approval of the Settlement** by the Court and you will be bound to the judgment, including the Release described in the Notice.

(b) You Can Dispute The Number of Workweeks but Still Participate in the Settlement.

As a Class Member you have been provided with this Notice which reflects a calculation of your estimated share of the Net Settlement Amount based on your Compensable Workweeks during the Settlement Period as determined by Defendants.

If you want to participate in the Settlement but you disagree with the number of Compensable Workweeks attributed to you during the Settlement Period, or if any information in this Notice is incorrect, then please state what you believe is the correct information, and sign and return your statement of dispute with any supporting documents to the Settlement Administrator on or prior to the Response Deadline, which is [Insert Date].

(c) You Can Opt-Out or Exclude Yourself from the Settlement Class (You Will Not Receive Any Money under the Settlement).

If you do **not** want to remain a member of the Settlement Class, you can request exclusion from the Settlement Class (i.e., opt out) by sending the Settlement Administrator a timely and properly completed written Request for Exclusion on or prior to the Response Deadline, which is [Insert Date]. The written Request for Exclusion must include your name, former names (if any), current address, telephone number, the last four digits of your Social Security number, and you must expressly state that you wish to be excluded from the Settlement Class in *Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.*, Case No. 30-2020-01134584-CU-OE-CXC. The Request for Exclusion must be signed by you and it must be postmarked to the Settlement Administrator by the Response Deadline. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, or are not signed, will be deemed null, void, and ineffective. **If you opt out or exclude yourself from the Settlement Class, you will no longer be a member of the Settlement Class, you will not receive any benefits under the Settlement, and you will be barred from objecting to this Settlement.** By opting out of the class, you will retain whatever rights or claims you may have, if any, against Defendants, which you may bring personally solely bearing the risk and expense of litigation. Unless you timely request to be excluded from the Settlement, you will be bound to the judgment upon final approval of the Settlement, including the Release described in the Notice.

The proposed settlement includes the settlement claims for civil penalties under PAGA. Class Members may not request exclusion from the Settlement of PAGA claims. Thus, if the Court approves this Settlement, then even if you request exclusion from the Settlement, you still will receive an Individual Settlement Share for the PAGA claims and will be deemed to have released the PAGA claims. A Request for Exclusion will preserve your right to individually pursue only the remaining class claims.

(d) You Can Object To The Settlement.

If you are a member of the Settlement Class who does not opt out of the class, you may object to the Settlement, either in writing or by appearing at the Final Approval hearing. To object in writing, you or your attorney must submit your written objection to the Settlement Administrator by mail postmarked on or before **[Insert Date]**, in which you state the basis of your objection, and provide any papers or briefs in support of your position. All written objections must be signed by you or your attorney and should contain your or your attorney's address, telephone number, and the name of the case (*Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.*, Case No. 30-2020-01134584-CU-OE-CXC), and verify your membership in the Settlement Class. You are not required to appear at the Final ~~Fairness and~~ Approval Hearing (~~"Fairness Hearing"~~) in order for the Court to consider your objection if you submitted written objections to the Settlement Administrator. However, whether or not you submit any written objections to the Settlement Administrator, if you wish to be heard at the ~~Fairness~~**Final Approval** Hearing to object, you may appear, personally or through an attorney (retained at your own expense), at the ~~Fairness~~**Final Approval** Hearing to present your objection directly to the Court. Your objection at the ~~Fairness~~**Final Approval** Hearing should clearly explain why you object to the Settlement. If you object to the Settlement, either in writing or at the ~~Fairness~~**Final Approval** Hearing, and if the Court approves the Settlement, you will be bound by the terms of the Settlement Agreement in the same way as a Settlement Class member who does not object. If you do not object to the Settlement, either in writing or at the ~~Fairness~~**Final Approval** Hearing, you will have waived your right to object at any time after the ~~Fairness~~**Final Approval** Hearing.

8. HOW DO I RECEIVE A PAYMENT?

If you wish to be considered for any payment under this Settlement, you must **not** submit a Request for Exclusion. If you do **not** submit a Request for Exclusion, you will receive a share of your Individual Settlement Payment.

Your Individual Settlement Payment is based on the number of Compensable Workweeks you worked during the period covered by the Settlement. Defendants' records show that you have **[Insert Number of Compensable Workweeks Worked]**. If you dispute the number of Compensable Workweeks worked in this Notice, you may produce, by no later than forty-five (45) days from the date the Notice is postmarked, evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator and the parties will attempt to resolve any disputes within seven (7) business days from the date the dispute is received by the Settlement Administrator. Any unresolved disputes will be ultimately decided by the Court.

9. ~~FAIRNESS~~**FINAL APPROVAL** HEARING ON PROPOSED SETTLEMENT

You are not required to attend the ~~Fairness~~**Final Approval** Hearing or file an objection, although you may do both, provided that you have not opted-out. The Final ~~Approval~~ Hearing on the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, the enhancement award, and Class Counsel's request for attorneys' fees and costs, will be held on **[Insert Date]**, 2021, **at 10:00 a.m.** before Hon. Judge Randall J. Sherman, Department CX-105, at the Orange County Superior Court, Civil Complex Center, 751 W. Santa Ana Blvd, Santa Ana, California 92701. The ~~Fairness~~**Final Approval** Hearing may be continued to another date without further notice. If you plan to attend the ~~Fairness~~**Final Approval** Hearing, you may contact the Settlement Administrator to confirm the date and time.

9. ADDITIONAL INFORMATION.

This Notice only summarizes the lawsuit, the Settlement Agreement and related matters. For more information, you may inspect the Court file at the Orange County Superior Court, Civil Complex Center, 751 W. Santa Ana Blvd, Santa Ana, California 92701, from 9:00 a.m. to 4:30 p.m., Monday through Friday. Any questions regarding this Notice, the Action, or the Litigation may be sent to the Settlement Administrator at the above address and telephone number. Alternatively, you may contact your own attorney (retained at your own expense), to advise you, or you may contact Class Counsel at the address and telephone number set forth above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE OR FOR INFORMATION REGARDING THIS SETTLEMENT

EXHIBIT 5

REQUEST FOR EXCLUSION FROM SETTLEMENT
AND EXCLUSION FROM INDIVIDUAL SETTLEMENT PAYMENT

Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.
Orange County Superior Court
Case No. 30-2020-01134584-CU-OE-CXC

YOU MAY TIMELY SUBMIT THIS REQUEST FOR EXCLUSION *ONLY IF YOU DO NOT WISH TO BE INCLUDED IN THE SETTLEMENT* AND IF YOU *DO NOT WISH TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT*.

INSTRUCTIONS:

You must timely complete, sign, and mail this Request for Exclusion if you want to “opt-out” of the Settlement and do not want to receive an Individual Settlement Payment.

IDENTIFYING INFORMATION

Please verify and/or complete any missing identifying information:

NAME AND FORMER NAMES (IF ANY):

ADDRESS LINE 1

ADDRESS LINE 2

LAST FOUR DIGITS OF

SOCIAL SECURITY NUMBER

TELEPHONE NUMBER

If you want to be excluded from the Settlement and not receive an Individual Settlement Payment, you must timely mail this Request for Exclusion with Phoenix Class Action Administration Solutions no later than **[INSERT DATE]** at **[INSERT ADDRESS]**.

If you fail to timely complete and return this Request for Exclusion, you will be bound by the Settlement if the Settlement is approved by the Court.

I declare the foregoing to be true and correct under penalty of perjury under the laws of the United States and the State of California.

Date: _____, 2021

Signed: _____

[NAME]

REQUEST FOR EXCLUSION FROM SETTLEMENT
AND EXCLUSION FROM INDIVIDUAL SETTLEMENT PAYMENT

Kalvyn Escobar v. Prime Finance Consulting, Inc., et al.
Orange County Superior Court
Case No. 30-2020-01134584-CU-OE-CXC

YOU MAY TIMELY SUBMIT THIS REQUEST FOR EXCLUSION *ONLY* IF YOU *DO NOT WISH TO BE INCLUDED IN THE SETTLEMENT* AND IF YOU *DO NOT WISH TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT*.

INSTRUCTIONS:

You must timely complete, sign, and mail this Request for Exclusion if you want to “opt-out” of the Settlement and do not want to receive an Individual Settlement Payment.

IDENTIFYING INFORMATION

Please verify and/or complete any missing identifying information:

NAME AND FORMER NAMES (IF ANY):

ADDRESS LINE 1

ADDRESS LINE 2

LAST FOUR DIGITS OF

SOCIAL SECURITY NUMBER

TELEPHONE NUMBER

If you want to be excluded from the Settlement and not receive an Individual Settlement Payment, you must timely ~~file~~**email** this Request for Exclusion with Phoenix Class Action Administration Solutions no later than **[INSERT DATE]** at **[INSERT ADDRESS]**.

If you fail to timely complete and return this Request for Exclusion, you will be bound by the Settlement if the Settlement is approved by the Court.

I declare the foregoing to be true and correct under penalty of perjury under the laws of the United States and the State of California.

Date: _____, 2021

Signed: _____

[NAME]