

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement” or “Settlement”) is reached by and between Plaintiff Timothy Isaac (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on the one hand, and Defendants Central Payment Co., LLC (“CPAY”) and TSYS Merchant Solutions, LLC (“TSYS”) (together, “Defendants”), on the other hand. Plaintiff and Defendants are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Tuvia Korobkin, and Neil M. Larsen of Haines Law Group, APC (“Class Counsel”). Defendants are represented by George W. Abele and Jennifer Milazzo of Paul Hastings LLP (“Defense Counsel”).

Plaintiff filed a class and representative action complaint against Defendants in Marin County Superior Court, titled *Timothy Isaac v. Central Payment Co. LLC, et al*, Case No. CIV2002734, on September 18, 2020 (the “Lawsuit”). The First Amended Complaint in the Lawsuit, filed on November 30, 2020, alleges claims against Defendants for: (i) minimum wage violations; (ii) failure to pay all overtime wages; (iii) rest period violations; (iv) failure to reimburse necessary business expenses; (v) unlawful deductions from wages; (vi) wage statement violations; (vii) waiting time penalties; (viii) unfair competition; and (ix) civil penalties under the Labor Code Private Attorneys General Act (“PAGA”), Labor Code § 2698 *et seq.* As part of this Settlement, the Parties have agreed to stipulate to the filing of a Second Amended Complaint (“Complaint”) adding a claim for meal period violations.

Given the uncertainty of litigation, the Parties wish to settle Plaintiff’s claims on a classwide and representative basis. Accordingly, Plaintiff and Defendants agree as follows:

1. **Settlement Class.** For purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to the certification of a “Settlement Class,” which shall be defined as:

All current and former Sales Representatives that, during the period of September 18, 2016 to the date the Court grants preliminary approval of the Settlement (“Class Period”), either: (i) performed services for Defendants and lived in California; (ii) performed services for Defendants and had an active account in California, but lived elsewhere; and/or (iii) performed services for Defendants and traveled to California for training; and California law applied to the services relationship between the Sales Representatives and Defendants per their written agreement.

Members of the Settlement Class are known as “Covered Class Members.” Defendants represent there are approximately 1,205 Covered Class Members.

The Parties agree that certification for purpose of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure in a non-settlement context. If for any reason this Settlement is not approved or is terminated, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement.

2. **Release by Settlement Class.** Once this Settlement Agreement receives final approval and the Court enters judgment, and upon the Settlement being fully funded, Plaintiff and every Covered Class Member who does not opt out of the class portion of the Settlement (“Participating Class Members”) will release and discharge Defendants, and all of their

current and former parents, subsidiaries, and affiliated entities, and each of their respective officers, directors, employees, partners, shareholders, members, managers, trustees, and agents, and any other predecessors, successors, assigns, or legal representatives (“Released Parties”), from (i) those claims set forth in the Complaint or that could have been alleged based on the facts alleged in the Complaint, including claims under Labor Code §§ 201-204, 221-223, 226, 226.2, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Industrial Wage Order No. 7, and Business and Professions Code § 17200, and (ii) claims for wages, penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief, arising from or related to any and all claims that were asserted in the Lawsuit or that could have been asserted in the Lawsuit based on the allegations of the Complaint. The claims released by the Participating Class Members shall include, without limitation, any and all claims relating to any alleged failure to pay minimum and overtime wages, failure to provide meal or rest periods, failure to reimburse expenses, failure to maintain required records, failure to timely pay wages when due, unlawful deductions from wages, failure to furnish accurate itemized wage statements, unlawful competition and unlawful business practices based on the above, and any statutory penalty claims that were asserted in the Lawsuit or that could have been asserted in the Lawsuit based on the allegations of the Complaint (“Class Released Claims”). The release of Class Released Claims shall apply, temporally, to the duration of the Class Period. In addition, all Covered Class Members (whether or not they opt out) who performed services as Sales Representatives for Defendants at any point from September 23, 2019 through the end of the Class Period (the “PAGA Period”) shall release any right or claim to civil penalties or other damages pursuant to the PAGA, based on alleged violations of the California Labor Code or Wage Orders set forth above arising during the PAGA Period (“PAGA Released Claims”).

3. **Maximum Settlement Amount.** As consideration, Defendants agree to pay a “Maximum Settlement Amount” or “MSA” of One Million Four Hundred Seventy-Five Thousand Dollars and Zero Cents (\$1,475,000.00) in full and complete settlement of this matter, as follows:
 - A. The Parties have agreed to engage Phoenix Settlement Administrators (“Phoenix”) as the “Settlement Administrator” to administer this Settlement.
 - B. The Maximum Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days after the Effective Date. The “Effective Date” of the settlement agreement shall be the day after final approval of the settlement is granted by the Court, and Judgment approving the settlement becomes Final. “Final” means the latest of the following dates, as applicable: (i) in the event that any party or Covered Class Member has filed an appeal regarding the trial court final approval of the settlement, the date the Court of Appeal or the California Supreme Court has rendered a final ruling affirming the trial court’s final approval of the Settlement without material modification, or (ii) the date that the deadline for seeking appellate review of the trial court’s final approval of the Settlement has passed without the filing of a timely appeal or timely request for review. In the event no objections are filed, the settlement shall be Final on the date that the court enters final approval and final judgment.

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- C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than \$12,000.00;
 - (3) Up to \$7,500.00 for Plaintiff's Class Representative Incentive Award, in recognition of his contributions to the Action and his service to the Settlement Class;
 - (4) Class Counsel attorney fees of one-third of the MSA (currently estimated to be \$491,666.67), plus litigation costs and expenses incurred by Class Counsel in relation to the Lawsuit as supported by declaration, which are currently estimated to be no greater than \$25,000.00;
 - (5) The Parties have set aside \$75,000.00 of the MSA as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$56,250.00, will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining 25%, or \$18,750.00, will be payable to certain Covered Class Members as the "PAGA Amount" as discussed below.
- D. Defendants' share of payroll taxes on any wage portion of the payments to the Settlement Class shall be paid by Defendants separately from, and in addition to, the Maximum Settlement Amount. Defendants' share of payroll taxes shall be deposited by Defendants with the Settlement Administrator at the same time they deposit the Maximum Settlement Amount.
- E. **Escalator Clause.** As noted above, Defendants represent that there are approximately 1,205 Covered Class Members. This is a material term of the settlement. If the number of Covered Class Members is actually more than 5% greater than 1,205 (i.e., if there are 1,266 or more Covered Class Members), then the Maximum Settlement Amount shall increase commensurate with the increase in class size over 1,205. (For example, if the number of Covered Class Members is 10% greater than 1,205, the Maximum Settlement Amount shall increase by 10%.)
- F. **Defendants' Option to Rescind.** If more than 5% of the Covered Class Members opt out, according to the Settlement Administrator's final report, Defendants may rescind the Settlement within seven (7) business days after the Settlement Administrator first informs the Parties that more than 5% of Covered Class Members have opted out. Should Defendants exercise this option, Defendants shall pay all administration costs incurred until that date. Neither Plaintiff, Defendants, Class Counsel, nor Defense Counsel shall solicit, request, or encourage any Covered Class Member to opt out of the Settlement.

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4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment from the Settlement (“Settlement Award”).

Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator will deduct from the Maximum Settlement Amount the Court-approved amounts for Class Counsel’s attorneys’ fees and litigation costs and expenses, Plaintiff’s Class Representative Incentive Award, the Settlement Administrator’s administration costs, and PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount” or “NSA.” Settlement Awards will be the total of each Covered Class Member’s (i) payment from the NSA and (ii) payment, if any, from the PAGA Amount, as described below.
- B. Payments from the Net Settlement Amount: All Participating Class Members will receive a payment from the NSA as follows. First, every Participating Class Member will receive a “Guaranteed Minimum Payment” of \$300.00 from the NSA. Next, each Participating Class Member will receive a payment from the remainder of the NSA (“NSA Remainder”) based upon each Participating Class Member’s proportionate number of “merchant-months” during the Class Period. Each Participating Class Member’s “merchant-months” will be calculated by multiplying (i) the number of months the Participating Class Member performed services for Defendants as a Sales Representative during the Class Period, and (ii) the average number of merchant accounts the Participating Class Member serviced each month while he/she performed services for Defendants as a Sales Representative during the Class Period. For example, if a Participating Class Member performed services for Defendants as a Sales Representative for 24 months during the Class Period and serviced an average of 10 merchant accounts during those months, that Participating Class Member would be allocated 240 “merchant-months.” The Settlement Administrator will calculate each Participating Class Member’s payment from the NSA Remainder by multiplying the NSA Remainder by a fraction, the numerator of which is the Participating Class Member’s number of “merchant-months” during the Class Period, and the denominator of which is the total “merchant-months” of all Participating Class Members during the Class Period.
- C. Payments from the PAGA Amount: In addition to the NSA, 25% of the amount set aside as PAGA civil penalties (i.e., \$18,750.00) has been set aside as the “PAGA Amount,” as mentioned above. The PAGA Amount shall be paid to all Covered Class Members (regardless whether they opt out) who were performed services as Sales Representatives for Defendants at any time during the PAGA Period, based on their proportional number of months they performed services as Sales Representatives for Defendants during the PAGA Period (“PAGA Months”). Specifically, each Covered Class Member’s payment from the PAGA Amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Covered Class Member’s number of PAGA Months, and the denominator of which is the total PAGA Months of all Covered Class members.

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- D. Within seven (7) business days following Defendants' deposit of the Maximum Settlement Amount and the employer's share of payroll taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Awards, and provide the same to Class Counsel and Defense Counsel for review and approval. Within five (5) business days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to Covered Class Members, as well as the Plaintiff's Incentive Award to Plaintiff, the LWDA's PAGA payment to the LWDA, and Class Counsel's attorneys' fees and costs to Class Counsel. The Settlement Administrator shall simultaneously pay all applicable withholdings to the applicable authorities with the necessary reports, submitting copies to Defense Counsel.
- E. For purposes of calculating applicable taxes and withholdings for payments, each Settlement Award shall be allocated as follows: for amounts paid from the PAGA Amount, 100% penalties; for amounts paid from the Net Settlement Amount, 35% wages, and 65% as penalties and interest. The Settlement Administrator will be responsible for issuing to Covered Settlement Class members an IRS Form W-2 for amounts deemed "wages" and an IRS Form 1099 for the portions allocated as penalties and interest. As stated above, Defendants are responsible for the employer's share of the payroll taxes on the wage portion of the Settlement Awards, and these taxes will not be deducted from the Maximum Settlement Amount. Notwithstanding the treatment of the payments to each Covered Class member above, none of the payments called for by this Settlement are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable bonus, benefit, or retirement plan, unless required by such plans.
- F. Each Covered Class Member who is mailed a Settlement Award must cash his/her Settlement Award check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Covered Class Members whose checks are not cashed within 180 days after mailing will be deposited by the Settlement Administrator with *cy pres* recipient, Court Appointed Special Advocates/Guardians ad Litem ("CASA/GAL"), a non-profit organization that supports and promotes court-appointed volunteer advocacy for children who have experienced abuse and neglect.
- G. Neither Plaintiff nor Defendants, nor their respective counsel, shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.
5. **Attorneys' Fees and Costs.** Class Counsel will request a total award of attorneys' fees of one-third of the Maximum Settlement Amount (currently estimated at \$491,666.67), plus actual costs and expenses as supported by declaration in an amount not to exceed \$25,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement, including any objections raised and any appeals necessitated by those objections. As noted above, the Settlement Administrator will mail Class Counsel the attorneys' fees and cost award when it mails the

Settlement Awards to Covered Class Members. The Settlement Administrator will issue Class Counsel IRS Forms 1099 when the Settlement Administrator pays the fee and cost award allowed by the Court.

6. **Class Representative Incentive Award.** Plaintiff will request a Class Representative Incentive Award of \$7,500.00 from the Maximum Settlement Amount for Plaintiff's time and risks undertaken in prosecuting the Lawsuit, and his service to the Settlement Class. This award will be in addition to Plaintiff's Settlement Award as a Covered Class Member and shall be reported on an IRS Form 1099 by the Settlement Administrator. The Settlement Administrator will mail Plaintiff the Class Representative Incentive Award and issue Plaintiff an IRS Form 1099 when it mails the Settlement Awards to Covered Class Members.
7. **Settlement Administrator.** The Parties will request the appointment of Phoenix as Settlement Administrator. Defendants will not object to Plaintiff's seeking permission to pay up to \$12,000.00 from the Maximum Settlement Amount for the Settlement Administrator's services. The Settlement Administrator shall be responsible for administering the Settlement. Among other things, the Settlement Administrator will be responsible for sending notices to Covered Class Members, calculating Settlement Awards and preparing all checks and mailings, posting the Judgment to its website, and other duties as described in this Settlement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Settlement Awards have been mailed to Settlement Class members.
8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:
 - A. Conditionally certifying the Settlement Class for purposes of this Settlement;
 - B. Appointing Paul K. Haines, Tuvia Korobkin, and Neil M. Larsen of Haines Law Group, APC as Class Counsel;
 - C. Appointing Plaintiff as Class Representative for the Settlement Class;
 - D. Approving Phoenix as Settlement Administrator;
 - E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
 - F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and the Notice of Estimated Settlement Award, attached hereto as Exhibits A and B, respectively), and directing the mailing of same; and
 - G. Scheduling a Final Approval hearing.
9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:
 - A. Within fifteen (15) business days after entry of an order preliminarily approving this Agreement, Defendants will provide the Settlement Administrator with the name, last known address, last known phone number, social security number, months of engagement as a Sales Representative during the Class Period, and number of merchants engaged in each month during the Class Period, for each

Covered Class Member (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

- B. Within ten (10) business days from receipt of the Class Data, the Settlement Administrator shall (i) run the names of all Covered Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Covered Class Members; (ii) update the addresses of any Covered Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Covered Class Member, and provide Class Counsel and Defense Counsel with its calculations for their approval; (iv) provide Class Counsel and Defense Counsel with formatted versions of the Notice Packets to be sent to Settlement Class members; and (v) after receiving approval from all counsel, mail a Notice Packet to each Covered Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Covered Class Member who wishes to opt-out of the class portion of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator on or before sixty (60) calendar days after the date of the initial mailing of the Notice Packets (the “Response Deadline”). The Request for Exclusion is a document prepared by the Covered Class Member that must: (1) contain the Covered Class Member’s name, address, telephone number, and last four digits of his/her Social Security number; (2) contain a statement that the Covered Class Member wishes to be excluded from the Settlement; (3) be signed by the Covered Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from this settlement, except a Request for Exclusion not containing a Covered Class Member’s last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Covered Class Member who excludes himself or herself from the Settlement Class will not be entitled to any recovery under this Settlement (except for any share from the PAGA Amount, if applicable), will not be bound by the terms of the Settlement (except for release of the PAGA Released Claims, if applicable), and will not have any right to object, appeal, or comment thereon. The Settlement Administrator will provide the Parties with weekly updates regarding the number of Requests for Exclusion received. The Parties and their counsel agree not to take any action to encourage any Covered Class Member to opt out of the settlement.
- D. Objections. Covered Class Members who do not request exclusion may object to the class portion of the Settlement by mailing a written objection to the Settlement Administrator as explained in the Class Notice. The Settlement Administrator shall, within two (2) business days of receipt, serve any written objection(s) as received on Class Counsel and Defense Counsel, and Class Counsel shall then file all such objections with the Court. Defense Counsel and Class Counsel shall file and serve any responses to written objections no later than five (5) calendar days prior to the

Final Approval hearing. To be valid, any written objection must: (1) contain the objecting Covered Class Member's full name, current address, and telephone number, as well as contact information for any attorney representing the objecting Covered Class Member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence supporting the objection; and (4) be postmarked no later than the Response Deadline. A Covered Class Member who wishes to object but who fails to comply with the procedures set forth herein and/or in the Class Notice shall be deemed not to have objected. Any attorney who intends to represent an objecting Covered Class Member at the Final Approval hearing must submit a Notice of Appearance to the Court and serve it on all Parties on or before the Response Deadline. The Parties and their counsel agree not to take any action to encourage any Covered Class Member to object to the Settlement. The Parties agree that there is no right for any Covered Class Member to object to the PAGA portion of the Settlement. The Parties further agree there is no right or opportunity for any Covered Class Member to appeal the approval of the PAGA portion of the Settlement, with the exception of Plaintiff.

- E. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to Covered Class Members shall contain a Notice of Estimated Settlement Award, in which shall be disclosed the amount of the Covered Class Member's estimated Settlement Award as well as all of the information that was gleaned from Defendants' records in order to calculate the Settlement Award, including their number of months they performed services for Defendants as a Sales Representative during the Class Period, average number of merchants serviced during the Class Period, and their number of PAGA Months, if any, during the PAGA Period. Covered Class Members will have the opportunity, should they disagree with Defendants' records regarding the information stated in their Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with counsel for the Parties to determine whether an adjustment to the Covered Class Member's Settlement Award is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Award under the terms of this Settlement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Covered Class Member and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Covered Class Member within two (2) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Covered Class Member. Covered Class

Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit a Request for Exclusion, Objection, or dispute, as applicable. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Covered Class Member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defense Counsel to provide notice of the Settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for submitting Requests for Exclusion, Objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:
 - A. Granting final approval of the Settlement and adjudging its terms to be fair, reasonable, and adequate;
 - B. Approving Plaintiff's and Class Counsel's application for attorneys' fees, costs, Class Representative Incentive Award, PAGA civil penalties to the LWDA, and settlement administration costs; and
 - C. Entering judgment pursuant to California Rule of Court 3.769.
11. **Non-Admission of Liability.** Defendants deny liability as to the matters alleged in the Complaint. Nothing in this Settlement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code § 1152, this Settlement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement. If Final Approval does not occur, the Parties agree that this Settlement is void, but remains protected by California Evidence Code § 1152.
12. **Confidentiality.** Plaintiff and Class Counsel agree that, prior to filing a Motion for Preliminary Approval, they will not disclose or publicize the Settlement contemplated herein, the fact of the Settlement, its terms or contents, or the negotiations underlying the Settlement, in any manner or form, to any person or entity, except to Covered Class Members and as shall be contractually required to effectuate the terms of the Settlement as set forth herein, and except to Plaintiff's spouse or to his attorneys or tax preparers as necessary for those professionals to provide their professional services to Plaintiff.
13. **Continuing Jurisdiction.** Except as otherwise specifically provided for herein, the Court shall retain jurisdiction to construe, interpret and enforce this Settlement, to supervise all notices, the administration of the Settlement, and to hear and adjudicate any dispute arising from or related to the Settlement. The Parties agree that the Court has jurisdiction over the Settlement pursuant to California Code of Civil Procedure, Section 664.6.
14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement will not constitute a waiver of any other provision.

15. **Enforcement Action.** In the event either Party brings an action to enforce the terms of this Settlement, the prevailing party in such action shall be entitled to recover his/her/its reasonable attorneys' fees and costs incurred.
16. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:
- if to Defendants: George W. Abele, Paul Hastings LLP, 515 Flower Street, Twenty-Fifth Floor, Los Angeles, CA 90071; georgeabele@paulhastings.com
- if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, CA 90245; phaines@haineslawgroup.com
17. **Applicable Law.** All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.
18. **Captions and Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.
19. **Entire Agreement.** This Settlement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.
20. **Counterparts.** This Settlement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

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21. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

AGREED TO AND APPROVED BY:

DATED: _____, 2022

TSYS MERCHANT SOLUTIONS, LLC

By: _____
David Green, Secretary

DATED: _____, 2022

CENTRAL PAYMENT CO., LLC

By: _____
David Green, Secretary

DATED: April 19, 2022

TIMOTHY ISAAC

Timothy Isaac
Timothy Isaac (Apr 19, 2022 06:45 EDT)

Plaintiff and Class Representative

APPROVED AS TO FORM:

DATED: _____, 2022

PAUL HASTINGS LLP

By: _____
George W. Abele
Attorneys for Defendants

DATED: April 19, 2022

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Attorneys for Plaintiff

21. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

AGREED TO AND APPROVED BY:

DATED: April 18, 2022

By: TSYS MERCHANT SOLUTIONS, LLC
David L. Green
B858729A465E467...
David Green, Secretary LA

DATED: April 18, 2022

By: GENERAL PAYMENT CO., LLC
David L. Green
B858729A465E467...
David Green, Secretary LA

DATED: _____, 2022

TIMOTHY ISAAC

Plaintiff and Class Representative

APPROVED AS TO FORM:

DATED: April 18, 2022

By: PAUL HASTINGS LLP
George W. Abele
George W. Abele
Attorneys for Defendants

DATED: _____, 2022

By: HAINES LAW GROUP, APC
Paul K. Haines
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF MARIN

TIMOTHY ISAAC,

Plaintiff,

vs.

CENTRAL PAYMENT CO., LLC, ET AL

Defendant.

Case No. CIV2002734

**NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED SETTLEMENT**

To: All current and former Sales Representatives that, during the period of September 18, 2016 to <<PRELIM APPROVAL DATE>> (“Class Period”), either: (i) performed services for Defendants Central Payment Co., LLC (“CPAY”) and TSYS Merchant Solutions, LLC (“TSYS”) (together, “CPAY/TSYS”) and lived in California; (ii) performed services for CPAY/TSYS and had an active account in California, but lived elsewhere; and/or (iii) performed services for CPAY/TSYS and traveled to California for training; and California law applied to the services relationship between the Sales Representatives and CPAY/TSYS per their written agreement.

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

Why should you read this Notice?

The Marin County Superior Court (“Court”) has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *Timothy Isaac v. Central Pymment Co., LLC, et al*, Marin County Superior Court Case No. CIV2002734 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from the Settlement. CPAY/TSYS’s records show that you performed services for CPAY/TSYS as a Sales Representative at some point between September 18, 2016 and <<PRELIM APPROVAL DATE>> and either: (i) performed services for CPAY/TSYS and lived in California; (ii) performed services for CPAY/TSYS and had an active account in California, but lived elsewhere; and/or (iii) performed services for CPAY/TSYS and traveled to California for training; and that California law applied to the services relationship between you and CPAY/TSYS per your written agreement. You are therefore a member of the proposed “Settlement Class.” The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights. As a member of the proposed Settlement Class, you are a “Covered Class Member” under the terms of the Settlement.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment. If final judgment is entered in this case, it will be posted to the Settlement Administrator’s website, www.phoenixclassaction.com.

What is this case about?

Plaintiff Timothy Isaac (“Plaintiff”) has filed a lawsuit alleging that CPAY/TSYS violated California law by misclassifying Sales Representatives as independent contractors and that as a result, CPAY/TSYS: (i) failed to pay all overtime wages; (ii) failed to pay at least minimum wage for all hours worked; (iii) failed to authorize and permit rest periods; (iv) failed to provide meal periods; (v) failed to reimburse necessary business expenses; (vi) took unlawful deductions from wages; (vii) failed to issue accurate itemized wage statements; (viii) failed to pay all wages owing upon separation of employment; and, as a result of the above, (ix) engaged in unlawful business practices. In addition, Plaintiff seeks recovery of derivative civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), interest, and attorneys’ fees and

costs. Plaintiff's attorneys, who also represent the interests of all Covered Class Members, are known as "Class Counsel."

CPAY/TSYS deny that they have done anything wrong, and believe they have acted in compliance with all applicable laws and that Plaintiff's claims have no merit. CPAY/TSYS also deny that they owe any wages, restitution, penalties, or other damages. By agreeing to settle, CPAY/TSYS are not admitting liability on any of the factual allegations or claims asserted in the Lawsuit or that the Lawsuit can or should proceed as a class action in a non-settlement context.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, CPAY/TSYS have concluded that it is in their best interests to settle the Lawsuit on the terms summarized in this Notice. After CPAY/TSYS provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

Plaintiff and Class Counsel also support the Settlement. Among the reasons for support are the defenses to liability potentially available to CPAY/TSYS, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you still perform services for CPAY/TSYS, your decision about whether to participate in the Settlement will not affect your status with CPAY/TSYS. California law and CPAY/TSYS company policy strictly prohibit unlawful retaliation. CPAY/TSYS will not take any adverse action against or otherwise target, retaliate, or discriminate against any Covered Class Member because of the Covered Class Member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / the Settlement Class: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Tuvia Korobkin tkorobkin@haineslawgroup.com 2155 Campus Drive, Suite 180 Neil M. Larsen nlarsen@haineslawgroup.com El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	Attorneys for CPAY/TSYS: PAUL HASTINGS LLP George W. Abele georgeabele@paulhastings.com Jennifer Milazzo jennifermilazzo@paulhastings.com 515 Flower Street, 25 th Floor Los Angeles, CA 90071 Tel.: (213) 683-6000 Fax: (202) 627-0705 www.paulhastings.com
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What are the terms of the Settlement?

CPAY/TSYS have agreed to pay \$1,475,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Lawsuit, including claims by Covered Class Members, attorneys' fees, costs, settlement administration costs, PAGA civil penalties, and the Class Representative Incentive Award.

The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$12,000 from the Maximum Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Costs/Expenses. Class Counsel will ask for fees of up to one-third of Maximum Settlement Amount, currently estimated to be \$491,666.67, as reasonable compensation for the work Class Counsel performed, and will continue to perform, in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000 for reimbursement of verified costs/expenses Class Counsel incurred in connection with the Lawsuit.

Class Representative Incentive Award. Class Counsel will ask the Court to approve an award of \$7,500 to the Plaintiff, also known as the “Class Representative.” This award is to compensate the Class Representative for his service and extra work provided on behalf of the Settlement Class.

PAGA Civil Penalties. The parties have agreed to allocate \$75,000 of the Maximum Settlement Amount as alleged civil penalties for the settlement of Plaintiff’s PAGA claim. Pursuant to the requirements of the PAGA, seventy-five percent (75%) of that amount, or \$56,250, will be paid to the California Labor & Workforce Development Agency (“LWDA”). The remaining \$18,750 has been designated as the “PAGA Amount” and will be paid to certain Covered Class Members as described below.

Calculation of Settlement Class Members’ Settlement Awards. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Covered Class Members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated to be approximately \$863,833.33. Together with the \$18,750 PAGA Amount, the total amount to be distributed to Covered Class Members is estimated to be \$882,583.33. Payments to Covered Class Members, known as “Settlement Awards,” will be calculated as follows:

- (i) *NSA Distribution:* All Participating Class Members (i.e., all Covered Class Members who do not opt out of the Settlement) will receive a payment from the NSA as follows. First, every Participating Class Member will receive a “Guaranteed Minimum Payment” of \$300.00 from the NSA. Next, each Participating Class Member will receive a payment from the remainder of the NSA (“NSA Remainder”) based upon each Participating Class Member’s proportionate number of “merchant-months” during the Class Period. Each Participating Class Member’s “merchant-months” will be calculated by multiplying (i) the number of months the Participating Class Member performed services for CPAY/TSYS as a Sales Representative during the Class Period, and (ii) the average number of merchant accounts the Participating Class Member serviced each month during the Class Period. For example, if you performed services for CPAY/TSYS as a Sales Representative for 24 months during the Class Period and serviced an average of 10 merchant accounts, you would be allocated 240 “merchant-months.” Your share of the NSA Remainder will be calculated by dividing your number of “merchant-months” by the total “merchant-months” of all Participating Class Members.
- (ii) *PAGA Amount Distribution:* In addition to the NSA, \$18,750 of the Maximum Settlement Amount has been designated as the “PAGA Amount” as described above, and will be allocated to all Covered Class Members (whether or not they opt out) who performed services as Sales Representatives for CPAY/TSYS at any time from September 23, 2019 to <<PRELIM APPROVAL DATE>> (the “PAGA Period”), in proportion to the number of months that each Covered Class Member performed services for CPAY/TSYS as a Sales Representative during the PAGA Period.

The enclosed “Notice of Estimated Settlement Award” contains your estimated payment under the Settlement, as well as the data from CPAY/TSYS’s records that was relied upon in calculating your estimated payment.

Deposit of Maximum Settlement Amount. The Maximum Settlement Amount will be deposited by CPAY/TSYS with the Settlement Administrator within thirty (30) calendar days of the “Effective Date” as defined in the Settlement. If there are no objections to the Settlement and the Court grants final approval of the Settlement, then the Effective Date will be the day after the Court grants final approval.

Payments to Covered Class Members: Approximately twelve (12) business days after CPAY/TSYS’s deposit of the Maximum Settlement Amount, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to Covered Class Members.

Allocation and Taxes. For tax purposes, Settlement Awards shall be treated as follows: for payments from the PAGA Amount, 100% penalties; for payments from the NSA, 35% wages, 65% penalties and interest. The Settlement Administrator will issue IRS forms W-2 for all amounts designated as “wages,” and will issue IRS forms 1099 for all amounts designated as penalties and interest. Covered Class Members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, CPAY/TSYS and their counsel, and Plaintiff and Class Counsel cannot provide tax advice. Accordingly, Covered Class

Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement and the Settlement becomes final, the Plaintiff and every Participating Class Member will release and discharge CPAY/TSYS, and all of their current and former parents, subsidiaries, and affiliated entities, and each of their respective officers, directors, employees, partners, shareholders, members, managers, trustees, and agents, and any other predecessors, successors, assigns, or legal representatives (“Released Parties”), from (i) those claims set forth in Plaintiff’s Second Amended Complaint (“Complaint”) or that could have been alleged based on the facts alleged in the Complaint, including claims under Labor Code §§ 201-204, 221-223, 226, 226.2, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Industrial Wage Order No. 7, and Business and Professions Code § 17200, and (ii) claims for wages, penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief, arising from or related to any and all claims that were asserted in the Lawsuit or that could have been asserted in the Lawsuit based on the allegations of the Complaint. The claims released by the Covered Class Members shall include, without limitation, any and all claims relating to any alleged failure to pay minimum and overtime wages, failure to provide meal or rest periods, failure to reimburse expenses, failure to maintain required records, failure to timely pay wages when due, unlawful deductions from wages, failure to furnish accurate itemized wage statements, unlawful competition and unlawful business practices based on the above, and any statutory penalty claims that were asserted in the Lawsuit or that could have been asserted in the Lawsuit based on the allegations of the Complaint. (“Class Released Claims”). The release of Class Released Claims shall apply, temporally, to the duration of the Class Period. In addition, all Covered Class Members (whether or not they opt out) who performed services as Sales Representatives for CPAY/TSYS at any point during the PAGA Period shall release any right or claim to civil penalties or other damages pursuant to the PAGA, based on alleged violations of the California Labor Code or Wage Orders set forth above arising during the PAGA Period (“PAGA Released Claims”).

Conditions of Settlement. By granting preliminary approval of the Settlement, the Court has determined that the Settlement falls within the range of possible approval as fair, reasonable, and adequate. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement.

How can I claim money from the Settlement?

Do Nothing. You do not need to do anything if you want to receive payment from and participate in the Settlement. If you do nothing, you will be entitled to your Settlement Award based on your number of “merchant-months” as a Sales Representative during the Class Period, and the number of months, if any, you performed services for CPAY/TSYS as a Sales Representative during the PAGA Period. Your estimated individual Settlement Award is included in the enclosed Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated herein.

Check Cashing Deadline and Uncashed Checks. You must cash or deposit your Settlement Award check within 180 days from the date that the Settlement Administrator mails the check to you. If you do not cash or deposit your check within 180 days, your check will be voided and the funds from the check will escheat to the *cy pres* recipient, Court Appointed Special Advocates/Guardians ad Litem (“CASA/GAL”) a non-profit organization that supports and promotes court-approved volunteer advocacy for children who have experienced abuse and neglect.

What other options do I have?

Disputing Information in Notice of Estimated Settlement Award. Your estimated Settlement Award has been calculated and is included in the enclosed Notice of Estimated Settlement Award. As stated above, your estimated Settlement Award is based on your number of “merchant-months” while you performed services as a Sales Representative for CPAY/TSYS during the Class Period, and the number of pay periods, if any, you performed services as a Sales Representative for CPAY/TSYS during the PAGA Period. The information contained in CPAY/TSYS’s records regarding each of these factors is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND**

ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED. The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Covered Class Members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Class Portion of the Settlement. If you **do not** wish to take part in the class portion of the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or postcard, postmarked no later than **<<RESPONSE DEADLINE>>**, with your full name (as well as any former names you used while you performed services for CPAY/TSYS), your current address, telephone number, last 4 digits of your social security number, and your signature. The Request for Exclusion should state that you wish to exclude yourself from the Settlement Class in the *Isaac v. Central Payment Co.* lawsuit.

Send any Request for Exclusion directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Covered Class Member with respect to the class claims, shall be barred from participating in the class portion of the Settlement, and shall receive no benefits from the class portion of the Settlement. Any person who submits a valid and timely Request for Exclusion will also lack standing to submit any objection to the Settlement. However, all Covered Class Members who performed services as Sales Representatives for CPAY/TSYS during the PAGA Period (even those who submit a valid and timely Request for Exclusion) will be bound by the PAGA portion of the Settlement and will receive a portion of the PAGA Amount.

Objecting to the Settlement. If you do not submit a Request for Exclusion, you have the right to object to the terms of the class Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the class Settlement, or any portion of it, you must mail a written Objection to the Settlement Administrator. Any Objection must include your full name (as well as any former names used while you performed services for CPAY/TSYS), current address and phone number, last 4 digits of your social security number, the name and contact information of any attorney representing you, each specific reason in support of your objection, and any legal or factual support for each objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence. All objections or other written correspondence must state the name and number of the case, which is *Timothy Isaac v. Central Payment Co., LLC, et al*, Marin County Superior Court Case No. CIV2002734. Any Objections must be postmarked on or before **<<RESPONSE DEADLINE>>**.

If you submit an objection to the Settlement, you may also appear at the Final Approval Hearing to discuss your objection with the Court. You have the right to appear either in person or through your own attorney. If you wish to appear at the Final Approval Hearing and/or retain an attorney to represent you at the hearing, you must do so at your own expense. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **<<RESPONSE DEADLINE>>**.

If you object to the Settlement, you will remain a Covered Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Covered Class Members who do not object. In other words, by submitting an Objection, you are not excluding yourself from the Settlement.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on **<<FINAL APPROVAL HEARING DATE/TIME>>**, in Courtroom A of the Marin County Superior Court, located at 3501 Civic Center Drive, San Rafael, California 94918. At the Final Approval Hearing, the Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of costs/expenses, the Class Representative Incentive Award, and the Settlement administration costs. The Final Approval Hearing may be postponed without further notice to the Settlement Class. **You are not required to attend the Final Approval Hearing, although any Covered Class Member is welcome to attend the hearing at their own expense.**

If you plan on attending the hearing or otherwise visiting the Court, please consult the Court's website, www.marincourt.org, for information regarding court operations during COVID-19 as well as any face covering and social distancing requirements.

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Marin County Superior Court, located at 3501 Civic Center Drive, San Rafael, California 94918, during regular Court hours. You may also contact the Settlement Administrator or Class Counsel using the contact information listed above for more information.

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

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<**RESPONSE DEADLINE**>>. These deadlines will be strictly enforced.

EXHIBIT B

NOTICE OF ESTIMATED SETTLEMENT AWARD

TIMOTHY ISAAC V. CENTRAL PAYMENT CO., LLC
MARIN COUNTY SUPERIOR COURT CASE NO. CIV2002734

Please complete, sign, and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

Phone number (if you wish to be contacted by phone)

(III) Information Used to Calculate Your Estimated Settlement Award:

According to CPAY/TSYS's records:

- (a) you performed services for CPAY/TSYS as a Sales Representative for _____ months between September 18, 2016 and <<PRELIM APPROVAL DATE>>;
- (b) you serviced an average of _____ merchant accounts between September 18, 2016 and <<PRELIM APPROVAL DATE>>; and
- (c) you performed services for CPAY/TSYS as a Sales Representative for _____ months between September 23, 2019 and <<PRELIM APPROVAL DATE>>.

Based on the above, your Settlement Award is estimated at \$_____.

(IV) If you disagree with any of the items (a) - (c) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from CPAY/TSYS's records, CPAY/TSYS's records will control unless you are able to provide documentation that establishes that CPAY/TSYS's records are mistaken. If there is a dispute about whether CPAY/TSYS's information or yours is accurate, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Class Action Settlement" that accompanies this Form. The Settlement Administrator's determination will be final.

Date: _____

Signature: _____

ANY DISPUTES (INCLUDING SUPPORTING DOCUMENTS) MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.