

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND STIPULATION

This Class Action and PAGA Settlement Agreement and Stipulation (“Settlement,” “Agreement,” or “Settlement Agreement”) is entered into between Defendant CMRE Financial Services, Inc. (“Defendant” or “CMRE Financial”), and Plaintiff Krista Ozuna (“Plaintiff”), individually and on behalf of Settlement Class Members.

DEFINITIONS

1. “Administration Costs” means fees or costs of settlement administration services rendered in administering the Settlement.
2. “Class Counsel” means Lawyers *for* Justice, PC and CounselOne, PC.
3. “Class” or “Class Member(s)” means all persons employed in California by Defendant CMRE Financial Services, Inc. as hourly-paid or non-exempt employees during the Class Period.
4. “Class List” means a list (or lists), compiled by Defendant based on its records, containing the following information for each Class Member: full name, last-known mailing address, last-known telephone number, Social Security number, start and end dates of employment in an hourly-paid or non-exempt position at any of Defendant’s locations in California during the Class Period.
5. “Class Notice” means the document to be sent via first class U.S. mail to the Class following Preliminary Approval, in substantially the form that is attached hereto as “**EXHIBIT 1**,” which will notify Class Members of the Settlement, explain the basic terms of the Settlement, and inform Class Members of their options with regard to the Settlement.
6. “Class Period” means the period beginning on August 1, 2015 and ending on August 1, 2020.
7. “Class Released Claims” means all claims arising from or related to the facts and claims alleged in the operative complaint in the Lawsuit, or that could have been raised in the Lawsuit based on the facts and claims alleged. The Class Release Claims include all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the incorrect calculation of the regular rate of pay; wages related to alleged illegal time rounding; non-compliant meal periods and rest periods and

compensation related thereto; payment for all hours worked, including off-the-clock work; inaccurate wage statements; failure to keep accurate records; unfair business practices related to the Class Released Claims; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released Claims arising under the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); and California Business and Professions Code section 17200, *et seq.* This release excludes the release of claims not permitted by law.

8. "Court" means the Superior Court for the State of California, County of Orange.

9. "Defendant" means CMRE Financial Services, Inc.

10. "Defendant's Counsel" means Sheppard, Mullin, Richter & Hampton LLP.

11. "Effective Date" will be the date of entry of the Final Approval Order and Judgment if no objections to the Settlement are filed. If objections are filed and overruled, and no appeal is taken, then the Effective Date will be sixty-five (65) calendar days after the entry of the Final Approval Order and Judgment. If an appeal is taken from the Court's overruling of objections to the Settlement, then the Effective Date will be twenty (20) calendar days after the appeal is dismissed or after an appellate decision affirming the Final Approval Order and Judgment becomes final.

12. "Final Approval Hearing" means the hearing following Preliminary Approval and distribution of the Class Notice to the Class, at which the Court will determine whether to fully and finally approve the fairness and reasonableness of this Agreement, and at which Plaintiff will request that the Court enter the Final Approval Order and Judgment, approve and award Attorneys' Fees and Costs, Enhancement Award, Individual Settlement Payments, Administration Costs, and LWDA Payment, and take other appropriate or necessary action as described herein.

13. "Final Approval Hearing Date" means the date of the Final Approval Hearing.

14. "Final Approval Order and Judgment" means the order or orders entered by the Court that, *inter alia*, finally approve(s) this Agreement and the Settlement, disposes of all issues raised in the Lawsuit by way of judgment in conformity with California Rules of Court Rule 3.769, and awards and orders the payment of all required amounts pursuant to the terms of this Agreement.

15. “Gross Settlement Amount” means the maximum total payment of Nine Hundred Thousand Dollars (\$900,000.00) payable by Defendant under this Agreement, exclusive of employer-side payroll taxes, contributions, and withholding with respect to the wages portion of the Individual Settlement Shares (“Employer Taxes”). The Gross Settlement Amount is non-reversionary and includes the Net Settlement Amount, Attorneys’ Fees and Costs, Enhancement Award, Administration Costs, and LWDA Payment.

16. “Individual Settlement Share(s)” means a Class Member’s *pro rata* share of the Net Settlement Amount, which is to be determined in conformity with Paragraph 36(e), which is inclusive of the employee-side payroll taxes, contributions, and withholdings with respect to the wages portion of the Individual Settlement Shares (“Employee Taxes”). The net payment of Individual Settlement Shares, after reduction for Employee Taxes is referred to as “Individual Settlement Payment(s).”

17. “Lawsuit” means the action entitled *Krista Ozuna v. CMRE Financial Services, Inc., et al.* filed on August 1, 2019 in the Orange County Superior Court and assigned case number 30-2019-01087365-CU-OE-CXC (“*Ozuna Lawsuit*”).

18. “Plaintiff” or “Class Representative” means Krista Ozuna.

19. “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which will be the Gross Settlement Amount less the amounts awarded for Attorneys’ Fees and Costs, Enhancement Award, LWDA Payment, and Administration Costs.

20. “Notice Plan” means the plan for the provision of notice to all Class Members under this Agreement.

21. “Parties” means Plaintiff, individually and on behalf of all Settlement Class Members as defined in Paragraph 27 below, and Defendant, who are individually referred to as “Party.”

22. “Preliminary Approval” means the Court’s order granting preliminary approval of the terms and conditions of the Agreement following the submission of the motion set forth in Paragraph 47, below.

23. “Preliminary Approval Order” means the order to be entered by the Court that preliminarily approves the terms and conditions of this Agreement, including the content of notice and

Notice Plan, and sets a Final Approval Hearing.

24. “Released Parties” means Defendant CMRE Financial Services, Inc., and each of its past, present and future employees, officers, directors, partners, shareholders, owners, trustees, representatives, agents, attorneys, parents, subsidiaries, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, affiliates, and insurers, and all of their respective past, present and future employees, officers, directors, agents, attorneys, shareholders, owners, parents, subsidiaries, and assigns.

25. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails Class Notice to Class Members and the last date on which Class Members may submit an opt-out/request for exclusion or object to the Settlement.

26. “Settlement Administrator” means CPT Group, Inc., the neutral third-party administrator mutually agreed upon by the Parties, subject to approval by the Court.

27. “Settlement Class” or “Settlement Class Members” means Class Members who have not submitted a timely and valid Request for Exclusion pursuant to Paragraph 43.

28. “Workweek(s)” means weeks, or fraction thereof, which a Class Member worked for Defendant in California in an hourly-paid or non-exempt position during the Class Period. The Settlement Administrator shall determine each Class Member’s number of calendar days of employment during the Class Period by using the start and end dates of employment included in the Class List (but shall not double-count any day to the extent there are multiple periods of employment by one or more of the Defendants), and divide that sum by seven (7) to yield the number of Workweeks to be credited to the Class Member. Fractional Workweeks will be rounded down to the nearest whole number to simplify the calculation of a Class Member’s Individual Settlement Share. If the foregoing formula yields less than two (2) Workweeks for a Class Member, a minimum of two (2) Workweeks will nonetheless be credited to the Class Member.

RECITALS

29. Plaintiff commenced this putative wage-and-hour class action on August 1, 2019, and Plaintiff’s Complaint asserts ten (10) causes of action against Defendant as follows: (1) violation of California Labor Code §§ 510 and 1198 (unpaid overtime); (2) violation of California Labor Code §§

226.7 and 512(a) (unpaid meal period premiums); (3) violation of California Labor Code § 226.7 (unpaid rest period premiums); (4) violation of California Labor Code §§ 1194, 1197, 1197.1 (unpaid minimum wages); (5) violation of California Labor Code §§ 201 and 202 (final wages not timely paid); (6) violation of California Labor Code § 204 (wages not timely paid during employment); (7) violation of California Labor Code § 226(a) (non-compliant wage statements); (8) violation of California Labor Code § 1174(d) (failure to keep requisite payroll records); (9) violation of California Labor Code §§ 2800 and 2802 (unreimbursed business expenses); and (10) violation of California Business & Professions Code §§ 17200, *et seq.*

30. Class Counsel extensively investigated the facts relating to the Lawsuit. In preparation for the mediation, the Parties engaged in substantial pre-mediation discovery, sufficient to allow the Parties to evaluate the case, including the exchange of a large volume of documents and data.

31. On October 28, 2019, the Parties, by and through their counsel of record, attended a full-day mediation with a neutral third-party mediator, Warren Jackson, Esq. of Signature Resolution, in an attempt to resolve the Lawsuit. With the aid of the mediator, the Parties continued to negotiate after the mediation and reached a resolution of the Lawsuit.

32. Plaintiff and Class Counsel are of the opinion that this Settlement is fair, reasonable, and adequate, and in the best interest of the Class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted to the merits, class certification, and representative adjudication, the numerous potential appellate issues, and Defendant's financial condition. While Defendant specifically denies any liability in the Lawsuit, Defendant has agreed to enter into this Settlement to avoid the cost and business disruption associated with defending the Lawsuit.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the Recitals listed above and the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set herein, the Plaintiff, individually and on behalf of the Settlement Class Members, on the one hand, and Defendant, on the other hand, agree that the Lawsuit shall be, and is finally and fully compromised and settled on the following terms and conditions,

subject to Court approval:

33. Non-Admission of Liability. The Parties enter into this Agreement to resolve the Lawsuit and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, that it has: violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violation(s) or failure(s) to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a noncompliance with, federal, state, local or other applicable law. In addition, as set forth herein, the Parties intend this Settlement to be contingent upon the Preliminary Approval and Final Approval of this Agreement; and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend the Lawsuit as if this Agreement never existed in the event the Settlement is not fully and finally approved as set forth herein.

34. Release of Claims by Settlement Class Members.

a. As of the Effective Date, Plaintiff and all Settlement Class Members shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all Class Released Claims.

b. The Parties agree for settlement purposes only that, because the Settlement Class Members are so numerous, it is impossible or impracticable to have each Settlement Class Member execute this Agreement. Accordingly, the Class Notice will advise all Class Members of the binding nature of the release with respect to Settlement Class Members, and such notice shall have the same force and effect as if the Agreement were executed by each Settlement Class Member.

c. Plaintiff represents, covenants, and warrants that she has 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 rights herein released and discharged, except as set forth herein.

35. Full Release by Plaintiff. In consideration of the mutual covenants and promises set forth herein, as of the Effective Date, Plaintiff fully releases and discharges Defendant and the other Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to her employment with Defendant and her compensation while an employee of Defendant ("Plaintiff's Released Claims"). Without limiting the generality of the foregoing, and in addition to the foregoing, Plaintiff's Released Claims include, but are not limited to, all claims arising from or related to the Lawsuit. Plaintiff's Released Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed meal period and rest-period wages; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; wage statements; deductions; failure to keep accurate records; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's Released Claims include all claim arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2698 *et seq.*, 2699 *et seq.*, and 2802); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200, *et seq.*; the California Civil Code, to include but not limited to, sections 3287, 3336, and 3294; 12 CCR § 11040; 8 CCR §11060; California Code of Civil Procedure § 1021.5; the California common law of contract; the FLSA, 29 U.S.C. § 201, *et seq.*; federal common law; and the

Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.* (“ERISA”). Plaintiff’s Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, and the California Fair Employment and Housing Act; and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiff’s Released Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that she now knows or believes to be true with respect to the subject matter of Plaintiff’s Released Claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights and benefits of Section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

36. Payments under the Settlement. In consideration of the mutual covenants and promises set forth herein, Defendant agrees to make a total payment under this Agreement in an amount up to but not to exceed the Gross Settlement Amount of Nine Hundred Thousand Dollars (\$900,000). In no event shall Defendant be required to pay any amount above the Gross Settlement Amount under this Settlement and this Agreement, except that the payment of employer’s share of payroll taxes and contributions in connection with the wages portion of the payouts to Settlement Class Members will be in addition to the Gross Settlement Amount. The Parties agree that the Gross Settlement Amount will be paid by Defendant on a non-reversionary basis and no portion of the Gross Settlement Amount will revert to Defendant. The Parties agree, subject to Court approval, that the Gross Settlement Amount shall be apportioned as follows:

a. Plaintiff will apply to the Court for an award of attorneys' fees of no more than Thirty Five Percent (35%) of the Gross Settlement Amount (*i.e.*, no more than Three Hundred And Fifteen Thousand Dollars (\$315,000)) to Class Counsel ("Attorneys' Fees") and for an award of reimbursement of actual litigation costs and expenses up to twenty thousand dollars (\$20,000) to Class Counsel ("Attorneys' Costs"). The Attorneys' Fees and Attorneys' Costs (together, "Attorneys' Fees and Costs") are included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such application.

b. Plaintiff will also apply to the Court for payment to the Settlement Administrator for the costs of notice and settlement administration not to exceed twenty two thousand dollars (\$22,000) (*i.e.*, "Administration Costs"). The Administration Costs are included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such application.

c. Plaintiff will apply to the Court for payment in the amount of Ten Thousand Dollars (\$10,000) to Plaintiff Krista Ozuna (*i.e.*, "Enhancement Payment"), for her services and responsibilities in prosecuting the Lawsuit. The Enhancement Award is included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such application.

d. The amount of Fifty Thousand Dollars (\$50,000) is allocated towards penalties pursuant to California Labor Code Section 2698, *et seq.* ("PAGA Payment"), of which the LWDA will be paid in the amount of Thirty Seven Thousand Five Hundred Dollars (\$37,500) ("LWDA Payment") and the amount of Twelve Thousand Five Hundred (\$12,500) will remain a part of the Net Settlement Amount for distribution to Settlement Class Members. The PAGA Payment will be included in, and will be paid from, the Gross Settlement Amount.

e. The Net Settlement Amount will be the amount that is available for distribution to Settlement Class Members on a *pro rata* basis, based on Workweeks. The Settlement Administrator will determine each Settlement Class Member's individual Workweeks in accordance with Paragraph 28. The sum of all Settlement Class Members' individual Workweeks will be the "Total Workweeks." The Net Settlement Amount will be divided by the Total Workweeks to yield the "Workweek Value." Each Settlement Class Member's Individual Settlement Share will be determined by multiplying his or her individual Workweeks by the Workweek Value. After reduction of Employee Taxes from each

Settlement Class Member's Individual Settlement Share, the net result will yield his or her Individual Settlement Payment.

37. No Credit Toward Benefit Plans. Payments made to Plaintiff and Settlement Class Members under this Agreement under the Settlement shall not be utilized to calculate any additional benefits under any benefit plans to which they may be eligible, including, but not limited to, under profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which Plaintiff and/or any Settlement Class Member may be entitled under any benefit plans.

38. Taxation of Settlement Proceeds.

a. The Parties agree that thirty-three percent (33%) of each Individual Settlement Share will be considered taxable wages and will be reported as such to each Settlement Class Member on a W-2 Form. The Parties agree that sixty-seven percent (67%) of each Individual Settlement Share will be considered interest and penalties and will be reported as such to each Settlement Class Member on an IRS Form 1099 (if required).

b. The Settlement Administrator shall calculate and remit to applicable taxing authorities sufficient amounts for the Employee and Employer Taxes. Any funds returned by taxing authorities due to cancellation of any Individual Settlement Payment checks will be transmitted in accordance with Paragraph 45(b), the same as all other residual funds associated with Individual Settlement Payment checks.

c. The Settlement Administrator will issue appropriate tax forms to each Settlement Class Member consistent with the foregoing breakdown.

d. All Parties represent that they have not received, and shall not rely on, advice or representations from Class Counsel or Defendant's Counsel regarding the tax treatment of payments under federal, state, or local law, and that no representations have been made to them regarding the taxability of any payments under the Settlement.

e. Class Counsel will be issued an IRS Form 1099 for Attorneys' Fees and Costs awarded by the Court. Except as provided herein, each of the Parties shall bear his, her, their, or its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of the Lawsuit. Plaintiff has confirmed that, other than Class Counsel, she has no other attorney representing her in the Lawsuit or has any claims to any attorneys' fees or costs in the Lawsuit or under this Agreement.

f. Plaintiff will be issued an IRS Form 1099 for the Enhancement Award. The Enhancement Award payable to Plaintiff shall be in addition to the Individual Settlement Payment she is contemplated to receive under the Settlement.

39. Notice Procedure.

a. The Parties shall use CPT Group, Inc. as the Settlement Administrator to distribute the Class Notice, distribute payments under the Settlement, handle tax reporting, establish and host a dedicated case settlement website, and field questions with a telephonic hotline.

b. Defendant will provide the Settlement Administrator with the Class List within fifteen (15) calendar days following the date of Preliminary Approval. Each Class Member's total Workweeks will be calculated by the Settlement Administrator, based on the data set forth in the Class List. The Class List and any other data provided by Defendant to the Settlement Administrator shall be treated as confidential and shall not be used by the Settlement Administrator for any purpose other than as permitted by this Agreement. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, and ensure that any other communications to Class Members shall not include the Class Members' Social Security Number except for the last four digits.

c. The Settlement Administrator shall be responsible for:

i. Mailing the Class Notice to the Class Members as directed by the Court;

ii. Consulting with counsel for the Parties concerning any relevant issue, including (without limitation) the estimated amounts of Individual Settlement Shares and Individual Settlement Payments;

iii. Receiving and processing Workweek Disputes and rejecting untimely or improper Workweek Disputes;

iv. Keeping track of Requests for Exclusion, and rejecting untimely or improper Requests for Exclusion;

v. Keeping track of Objections that it receives;

vi. Calculation and distribution of payments in accordance with this Agreement and the Court's orders;

vii. Providing weekly status reports to counsel for the Parties, including: (a) the number of Class Notices mailed; (b) the number of Workweek Disputes received; (c) the number of Objections received; and (d) the number of Requests for Exclusion received;

viii. No later than twenty-one (21) business days before the Final Approval Hearing, preparing and providing to Class Counsel and Defendant's Counsel, for filing with the Court in support of Plaintiff's motion for final approval of the Settlement, a declaration of due diligence setting forth its compliance with its obligations under this Agreement;

ix. Notifying Defendant's Counsel, within two (2) business days after the Effective Date, of the wiring instructions to fund the Gross Settlement Amount, which must be paid by Defendant in the amounts and in accordance with the deadline set forth in Paragraph 45(a);

x. Distributing payments due under the Settlement;

xi. Issuing a W-2 Form to each Settlement Class Member for the wage portion of each Individual Settlement Share, a 1099 Form (if required) to each Settlement Class Member for the non-wage portion of each Individual Settlement Share, a 1099 Form to Plaintiff for the Enhancement Award, a 1099 Form to Class Counsel for the Attorneys' Fees and Costs award, and a 1099 Form to the Settlement Administrator for all Administration Costs; and,

xii. Such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform, including responding to questions from Class Members.

d. Within thirty (30) calendar days after Preliminary Approval, the Settlement Administrator shall mail the Class Notice to all persons shown by Defendant's records to be Class Members, as reflected in the Class List, via first class U.S. mail, using the most current mailing address available after a National Change of Address search. The Class Notice shall state an estimate of each Class Member's respective Individual Settlement Share and the number of Workweeks credited to him

or her.

e. Any Class Notice returned to the Settlement Administrator as undelivered within thirty (30) calendar days of initial mailing and bearing a forwarding address shall be re-mailed by the Settlement Administrator within three (3) business days following receipt of the returned mail. For any such Class Notice returned to the Settlement Administrator without a forwarding address, the Settlement Administrator shall first conduct a National Change of Address search as required for undeliverable notices, followed by a computer/SSN and “skip trace” search to obtain an updated address, and shall promptly re-mail the Class Notice to any newly-found address or addresses. The Settlement Administrator shall also re-mail by first class U.S. mail any such Class Notice returned by the Post Office with a forwarding address. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice is not returned to the Settlement Administrator as undeliverable within five (5) calendar days after re-mailing, actually received the Class Notice.

f. Class Counsel shall provide the Court with a declaration from the Settlement Administrator confirming that the Class Notice was mailed to all Class Members as required by this Agreement, as well as any additional information Class Counsel with the input of Defendant deems appropriate to provide to the Court, before the Final Approval Hearing.

40. Class Members are not required to submit a claim form to receive an Individual Settlement Payment. The Class Notice will state that Class Members who wish to receive Individual Settlement Payments need not do anything except, they must not submit a valid and timely Request for Exclusion and they must keep the Settlement Administrator apprised of a current mailing address in order to receive an Individual Settlement Payment check following the Effective Date of the Settlement.

41. Submission of Workweek Disputes.

a. The Class Notice will provide that Class Members who wish to dispute the Workweeks set forth on the Class Notice must timely submit to the Settlement Administrator a fully completed and signed written dispute (“Workweek Dispute”) no later than fifty (50) calendar days from the date the Class Notice is originally mailed by the Settlement Administrator, or in the instance of a re-mailed Class Notice, sixty (60) calendar days from the date the Class Notice is originally mailed

("Response Deadline"). Workweek Disputes not postmarked or confirmed received by the Settlement Administrator on or before the Response Deadline will be considered late and may be summarily rejected by the Settlement Administrator, in consultation with Class Counsel and Defendant's Counsel.

b. A Workweek Dispute must: (1) be signed by the Class Member (2) contain the case name and case number of the *Ozuna* Lawsuit; (3) contain the Class Member's full name, telephone number, mailing address, and e-mail address; (4) clearly state that the number of Workweeks attributed to the Class Member in the Class Notice is incorrect and clearly state the number of Workweeks that the Class Member contends is correct; (5) provide facts and/or documents supporting the number of Workweeks the Class Member contends is correct.

c. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement and in conformity with Paragraphs 36(e) and 38, *supra*. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Class Member and the Parties.

42. Defendant's Representations of Class Size.

Defendant's best estimate of the Class size for the period of August 1, 2015 to December 31, 2019 is 938 individuals. Defendant further represents that none of the putative Class has signed individual releases under *Chindarah v. Pick Up Sticks Inc.* (2009) 171 Cal.App.4th 796.

43. Opt Out Procedure.

a. Class Members will have sixty (60) days until the Response Deadline to mail by first class U.S. mail, with proof of date of submission to be the postmark date, a written request to opt out of the Settlement ("Request for Exclusion"). Unless a Class Member submits a timely and valid Request for Exclusion, he/she shall be bound by the terms and conditions of this Agreement, including the release of claims as set forth herein.

b. A Request for Exclusion, in order to be deemed valid, must: (1) be signed by the Class Member; (2) contain the case name and case number of the *Ozuna* Lawsuit; (3) contain the

Class Member's full name, telephone number, and mailing address; and (4) clearly state that the Class Member wants to opt out of the Settlement.

c. Upon receipt of any timely Request for Exclusion, the Settlement Administrator shall review the request to verify the information contained therein and confirm that the request complies with the requirements of this Agreement.

d. Any Class Member who fails to submit via first class U.S. mail a timely, complete, and valid Request for Exclusion shall be barred from opting out of this Agreement or the Settlement. The Settlement Administrator shall not review or consider any Request for Exclusion postmarked after the Response Deadline. Under no circumstances shall the Settlement Administrator have the authority to extend the Response Deadline for Class Members to file a Request for Exclusion, except as ordered by the Court or mutually agreed by the Parties.

e. If five percent (5%) or more of the Class Members submit a timely and valid Request for Exclusion, Defendant shall have the sole and absolute discretion to withdraw from this Agreement within ten (10) calendar days after the Response Deadline by providing written notice of such withdrawal to Class Counsel. In the event that Defendant elects to withdraw as set forth in this provision, the withdrawal shall have the same effect as a termination of this Agreement for failure to satisfy a condition of Settlement and the Agreement shall become null and void and have no further force or effect. If Defendant exercises its option to terminate this Settlement, it shall pay all Settlement Administration Costs incurred up to the date and as a result of the termination.

44. Objections to Settlement.

a. Any Settlement Class Member may object to the Settlement by mailing a written objection to the Settlement Administrator ("Objection"). To be timely, Objections must be mailed to the Settlement Administrator, postmarked on or before the Response Deadline.

b. An Objection must: (1) be signed by the Class Member (2) contain the case name and case number of the *Ozuna* Lawsuit; (3) contain the Class Member's full name, telephone number, and mailing address; (4) clearly state the factual and legal basis for objecting to the Settlement; (5) indicate whether the Class Member is represented by counsel and identify said counsel;

and (6) indicate whether the Class Member intends to appear at the Final Approval Hearing and seeks to be heard at the Final Approval Hearing.

c. If a Class Member does not submit an Objection in accordance with the terms of this Settlement Agreement, he or she shall conclusively be deemed to have waived his or her right to object to the Settlement, and the Settlement Class Member will be barred from asserting any objection. The Settlement Administrator will provide the Parties' counsel with any objections received and also attach the objections as exhibits to its declaration regarding due diligence that will be filed with the Court in advance of the Final Approval Hearing.

45. Settlement Proceeds Distribution Deadlines.

a. Within ten (10) business days after the Effective Date, Defendant shall fund the Gross Settlement Amount in the amount of Nine Hundred Thousand Dollars (\$900,000) and the Employer Taxes.

b. No later than fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Settlement Administrator shall distribute payments in accordance with this Agreement and the Court's orders, as follows: (i) full payment of the Enhancement Award to Plaintiff; (ii) full payment of the LWDA Payment to the Labor Workforce Development Agency ("LWDA"); (iii) full payment of Individual Settlement Payments to Settlement Class Members and appropriate taxing authorities; (iv) full payment of Attorneys' Fees and Costs to Class Counsel; and (v) full payment of Administration Costs to the Settlement Administrator.

b. Settlement Class Members will be issued payment of their Individual Settlement Payments by way of one (1) check. Each check will be valid for a period of one hundred and eighty (180) calendar days from the date of issuance of the check, and after this time period, the check(s) will be cancelled and the funds associated with such cancelled checks will be transmitted to the Public Law Center of Orange County in conformity with the requirements of California Code of Civil Procedure section 384. The Parties agree that Code of Civil Procedure section 384 is not applicable to any portion of the Gross Settlement Amount (including but not limited to any portion of the Net Settlement Amount), except for the residual described in this Paragraph.

c. The remittance of all Court ordered and approved payments, under this Agreement, to the Settlement Administrator shall constitute the full and complete discharge of the entire obligation of Defendant under this Agreement.

d. No person shall have any claim against the Settlement Administrator, Defendant, Class Counsel, Defendant's Counsel, or any other agent designated by Plaintiff or Defendant based upon the distribution of payments made in accordance with this Agreement or further orders of the Court.

e. Defendant shall not be obligated to make any payments contemplated by this Agreement unless and until the Court enters the Final Approval Order and Judgment, and after the Effective Date, and no amounts will be owed or payable until all appeals or other collateral attack have lapsed or have been favorably resolved in favor of the Settlement and no further challenge to the Settlement is possible.

46. Binding Effect of Agreement on Settlement Class Members. Subject to Final Approval, all Settlement Class Members shall be bound by this Agreement, the contemplated Final Approval Order and Judgment, the release of Class Released Claims, and shall be enjoined from pursuing, or seeking to reopen, Class Released Claims against the Released Parties.

47. Provisional Approval of Settlement. After execution of this Agreement, Plaintiff shall file a motion in the *Ozuna* Lawsuit requesting Preliminary Approval of the Settlement. Defendant shall not oppose the motion for preliminary approval of the Settlement so long as the motion and supporting papers are consistent with the terms of this Agreement. Class Counsel shall provide Defendant with a reasonable opportunity to review, and provide comments to, the motion for preliminary approval of the Settlement before the motion and supporting papers are filed with the Court. By way of the motion, the Court will be requested to enter a Preliminary Approval Order that:

- a. Preliminarily approves this Agreement;
- b. Conditionally certifies the Class, for purposes of settlement;
- c. Preliminarily appoints Plaintiff as representative of the Class for settlement purposes;

- d. Preliminarily appoints Class Counsel as counsel for the Class for settlement purposes;
- e. Approves and appoints the Settlement Administrator to administer the Settlement administration procedures required by this Agreement;
- f. Approves the form of the Class Notice and requires that it be sent to Class Members by first class U.S. mail;
- g. Approves the Notice Plan;
- h. Schedules the Final Approval Hearing; and
- i. Approves the procedure and deadlines (including the Response Deadline) for Class Members to submit Requests for Exclusion, Objections, and Workweek Disputes.

48. Non-Interference with Settlement Administration. The Parties and their counsel agree that they shall not seek to solicit or otherwise encourage Class Members to submit Requests for Exclusion or Objections to the Settlement or to appeal from the Final Approval Order and Judgment.

49. Final Approval Order and Judgment. Plaintiff will request, and Defendant will concur in said request, that the Court enter, after the Final Approval Hearing, a Final Approval Order and Judgment drafted by Plaintiff in the form that is consistent with this Agreement and subject to prior review and approval by Defendant. Plaintiff will request that the Final Approval Order and Judgment find that this Agreement and Settlement is fair, just, equitable, reasonable, adequate and in the best interests of the Class, enter judgment in accordance with California Rules of Court Rule 3.769, and require the Parties to carry out the provisions of this Agreement.

50. Voiding of Agreement if Settlement Not Finalized Or for Failure to Satisfy Conditions.

a. The Court may award less to Plaintiff, Class Counsel, Settlement Administrator, and/or the LWDA than is provided for herein, without impacting the validity and enforceability of the Agreement.

b. Defendant has the right to void this Agreement in the event that the Court conditions approval of the Settlement on any of the following: (i) Defendant paying more than the "Gross Settlement Amount," exclusive of the Employer Taxes;; or (ii) the scope of the releases in this Agreement being materially reduced. Defendant's right to void this Agreement must be exercised

within ten (10) business days after Defendant receives oral or written notice from the Court of any of the conditions for settlement approval enumerated in the preceding sentence and Defendant must within that time period notify Plaintiff that it is exercising its right to void this Agreement; otherwise, Defendant's right to void this Agreement is forever waived.

c. If for any reason the Settlement set forth in this Agreement is terminated as provided under this Paragraph or Paragraph 43(e) or does not otherwise become final:

i. The Settlement shall be null and void and the orders and judgment to be entered pursuant to this Agreement shall be vacated; and the Parties will be returned to the status quo prior to entering this Agreement with respect to the Lawsuit, as if the Parties had never entered into this Agreement.

ii. The Agreement and all negotiations, court orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties hereto and Class Members, whom shall be restored to their respective positions existing prior to the execution of this Agreement, and evidence relating to the Agreement and all negotiations shall not be admissible or discoverable in the litigation and/or Lawsuit or otherwise.

iii. Defendant will not have waived, and instead expressly reserves, its rights to challenge the continuing propriety of class certification or representative adjudication for any purpose.

iv. Plaintiff and Class Counsel will not have waived, and instead expressly reserve, their rights to move for collective and/or class certification and seek representative adjudication.

v. To the extent one exists, the Preliminary Approval Order shall be vacated in its entirety and neither this Agreement, the Preliminary Approval Order, nor any other document in any way relating to any of the foregoing, shall be relied upon, referred to, or used in any way for any purpose in connection with any further proceedings in this or any related action, including class certification proceedings.

51. No Publicity. The Parties and their counsel will not initiate nor respond to public relations or media inquiries about the Settlement except as required by the settlement approval process.

In addition, the Parties and their counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the settlement of the Lawsuit in any manner that identifies Defendant, including but not limited to any postings on any websites maintained by Class Counsel.

52. Notices. All notices, requests, demands, and other communications required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered by first class U.S. mail to the Settlement Administrator, as follows:

For Plaintiff and the Class:

Edwin Aiwarzian
Arby Aiwarzian
Lawyers *for* Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203

Anthony J. Orshansky
CounselOne, PC
9301 Wilshire Boulevard Suite 650
Beverly Hills, California 90210

For Defendant CMRE Financial Services, Inc.:

Ryan D. McCortney
Matthew M. Sonne
Sheppard, Mullin, Richter & Hampton, LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626

53. Modification in Writing. This Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by the Court. This Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

54. Ongoing Cooperation. Plaintiff and Defendant and each respective counsel shall execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement. The executing of documents must take place prior to the Final Approval Hearing.

55. Binding on Successors. This Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs, and legal representatives.

56. Entire Agreement. This Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Parties with respect to the settlement of the Lawsuit, Class Released Claims, and Plaintiff's Released Claims. This Agreement supersedes any and all prior oral or written understandings, agreements, and arrangements between the Parties with respect to the settlement of the Lawsuit, Class Released Claims, and Plaintiff's Released Claims. Except as to those set forth and included expressly in this Agreement, there are no other agreements, covenants, promises, representations, or arrangements between the Parties with respect to the settlement of the Lawsuit, Class Released Claims, and Plaintiff's Released Claims.

57. Execution in Counterparts. This Agreement may be signed in one or more counterparts and electronic signatures are acceptable. All executed copies of this Agreement, and photocopies thereof (including facsimile copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

58. Captions. The captions and section numbers in this Agreement are inserted for the reader's convenience and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

59. Governing Law. This Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law rules.

60. Reservation of Jurisdiction. Notwithstanding entry and filing of the Final Approval Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting and enforcing the terms of this Agreement.

61. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

62. Warranties and Representations. With respect to themselves, each of the Parties to this Agreement and/or their agents or counsel represent, covenant, and warrant that (a) they have full

power and authority to enter into and consummate all transactions contemplated by this Agreement and have duly authorized the execution, delivery, and performance of this Agreement and (b) the person executing this Agreement has the full right, power, and authority to enter into this Agreement on behalf of the Party for whom he/she has executed this Agreement, and the full right, power, and authority to execute any and all necessary instruments in connection herewith, and to fully bind such Party to the terms and obligations of this Agreement.

63. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement and that this Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent, to their knowledge, that there are no liens on the Agreement.

64. Authorization by Plaintiff. Plaintiff authorizes Class Counsel to sign this Agreement and further agree not to request to be excluded from the Settlement.

IT IS SO AGREED:

Dated: 07 / 23 / 2020, 2020

Krista Ozuna
Plaintiff Krista Ozuna

Dated: 9/8/2020, 2020

DocuSigned by:
Sandra Lawrence
7398A091C3D04B5...
Name: Sandra Lawrence
Title: President

On Behalf of Defendant CMRE Financial, Services, Inc.

APPROVED AS TO FORM

Dated: _____, 2020

Edwin Aiwasian
Arby Aiwasian
Lawyers for Justice, PC
Attorneys for Plaintiff Arthur Ramos

Dated: July 23, 2020

Anthony J. Orshansky
Anthony J. Orshansky

power and authority to enter into and consummate all transactions contemplated by this Agreement and have duly authorized the execution, delivery, and performance of this Agreement and (b) the person executing this Agreement has the full right, power, and authority to enter into this Agreement on behalf of the Party for whom he/she has executed this Agreement, and the full right, power, and authority to execute any and all necessary instruments in connection herewith, and to fully bind such Party to the terms and obligations of this Agreement.

63. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement and that this Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent, to their knowledge, that there are no liens on the Agreement.

64. Authorization by Plaintiff. Plaintiff authorizes Class Counsel to sign this Agreement and further agree not to request to be excluded from the Settlement.

IT IS SO AGREED:

Dated: 07 / 23 / 2020, 2020


Plaintiff Krista Ozuna

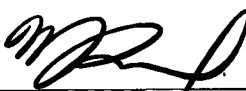
Dated: _____, 2020

Name: _____
Title: _____

On Behalf of Defendant CMRE Financial, Services, Inc.

APPROVED AS TO FORM

Dated: September 22, 2020

 for
Edwin Aiwazian
Arby Aiwazian
Lawyers for Justice, PC
Attorneys for Plaintiff Arthur Ramos

Dated: July 23, 2020


Anthony J. Orshansky

Justin Kachadoorian
CounselOne, PC
Attorneys for Plaintiff Krista Ozuna

Dated: 9/9/2020, 2020

DocuSigned by:
Matthew Sonne
3A64ADAFC8834C7
Ryan McCortney
Matthew Sonne
Sheppard, Mullin, Richter & Hampton, LLP
Attorneys for Defendant