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and on behalf of all others similarly situated.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

BRIAN HARVEY, individually and on behalf of
all others similarly situated,

Plaintiff,

vs.

ADVISORS MORTGAGE GROUP, LLC; and
DOES 1 through 20, inclusive,

Defendants.

Case No. 37-2021-00019330-CU-OE-CTL
Related Case No. 37-2021-00033201-CU-OE-CTL

*Assigned for all purposes to:
Hon. Katherine Bacal, Dept. C-69*

JOINT STIPULATION OF SETTLEMENT

1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of this Action shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement ("Agreement" or "Settlement").

6 This Agreement is made by and between Named Plaintiff Brian Harvey ("Named Plaintiff")
7 and the Class Members, on the one hand, and Defendant Advisors Mortgage Group, LLC
8 ("Defendant"), on the other hand. Named Plaintiff and Defendant collectively are referred to in this
9 Agreement as "the Parties."

10 The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and
11 concluded by agreement of Defendant to pay the settlement amount of Five Hundred Fifty Thousand
12 Dollars (\$550,000.00) as provided in Section 3.06(a) below ("Gross Settlement Amount") pursuant
13 to the terms and conditions of this Agreement and for the consideration set forth herein, including
14 but not limited to, a release of all claims by Named Plaintiff and the Class Members as set forth
15 herein.

16 ARTICLE I

17 DEFINITIONS

18 Unless otherwise defined herein, the following terms used in this Agreement shall have the
19 meanings ascribed to them as set forth below:

20 a. "Actions" means the actions described as follows: *Brian Harvey v. Advisors*
21 *Mortgage Group, LLC*, Case No. 37-2021-00019330-CU-OE-CTL, commenced on April 30, 2021,
22 in the Superior Court of the State of California for the County of San Diego, and *Brian Harvey v.*
23 *Advisors Mortgage Group, LLC*, Case No. 37-2021-00033201-CU-OE-CTL, commenced on August
24 4, 2021, in the Superior Court of the State of California for the County of San Diego.

25 b. "Agreement" means this Joint Stipulation of Settlement, including the attached
26 Exhibit(s).

27 c. "Class" means all current and former non-exempt employees who are or were
28 employed by Defendant in California at any time during the Class Period.

d. "Class Counsel" means the attorneys for the Class and the Class Members, who are:

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e. "Class List" means a list based on Defendant's business records that identifies each Class Member's name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, dates of employment, and the number of Qualifying Workweeks worked during the Class Period.

f. "Class Member(s)" means all members of the Class.

g. "Class Period" means November 3, 2016 through June 8, 2022.

h. "Court" means the California Superior Court for the County of San Diego, where the Actions are currently pending.

i. "Date of Finality" means the later of the following: (1) the date the Final Order is signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or other judicial review is taken from the Court's overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final.

j. "Defendant" means Defendant Advisors Mortgage Group, LLC.

k. "Defense Counsel" means counsel for Defendant:

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Matthew J. Kraus
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Riverside, California 92507
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1 l. “Disposition” means the method by which the Court approves the terms of the
2 Settlement and retains jurisdiction over its enforcement, implementation, construction,
3 administration, and interpretation.

4 m. “Final Order Approving Settlement of Class Action” or “Final Order” means the final
5 formal court order signed by the Court following the Final Fairness and Approval Hearing in
6 accordance with the terms herein, approving this Agreement.

7 n. “Gross Settlement Amount” or “GSA” means Five Hundred Fifty Thousand Dollars
8 and Zero Cents (\$550,000.00) to be paid by Defendant as provided by this Agreement to settle this
9 Action. All payments to the Class, administration costs, attorney’s fees and costs, and Incentive
10 Award, pursuant to Section 3.06(a) below, shall be paid out of the Gross Settlement Amount. The
11 employer’s share of payroll taxes arising from the payments made under this settlement shall be paid
12 by Defendant separate from and in addition to the Gross Settlement Amount. The Gross Settlement
13 Amount is subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross
14 Settlement Amount shall revert to Defendant.

15 o. “Incentive Award” means a monetary amount of up to Ten Thousand Dollars
16 (\$10,000.00) for the Named Plaintiff, subject to Court approval, in recognition of his effort and work
17 in prosecuting the Action on behalf of Class Members, and for his general release of claims.

18 p. “Individual Settlement Payment(s)” means each Participating Class Member’s
19 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
20 by the calculations provided in this Agreement.

21 q. “LWDA” means The State of California Labor and Workforce Development Agency.

22 r. “LWDA Payment” means 75% of the \$25,000 allocated to the settlement of PAGA
23 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.06(e) of
24 this Agreement, as provided for below.

25 s. “Motion for Final Approval” means Plaintiff’s submission of a written motion,
26 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
27 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
28 to enter a Final Order in this Action.

1 t. "Motion for Preliminary Approval" means Plaintiff's submission of a written motion,
2 including any evidence as may be required for the Court to grant preliminary approval of the
3 Settlement as required by Rule 3.769 of the California Rules of Court.

4 u. "Named Plaintiff" means Brian Harvey.

5 v. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
6 administration costs, Class Counsels' attorney's fees and costs, Incentive Award, and LWDA
7 Payment, pursuant to Section 3.06(a)-(f) below.

8 w. "Non-Participating Class Member(s)" means any Class Member(s) who submit to the
9 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
10 to Section 3.04(b) below.

11 x. "Notice Packet" means the Notice of Proposed Class Action Settlement in a form
12 substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

13 y. "PAGA" means the California Private Attorneys General Act of 2004, which is
14 codified in California Labor Code §§ 2698 *et seq.*

15 z. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
16 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties have
17 agreed that the PAGA Settlement Amount is Twenty-Five Thousand Dollars (\$25,000), subject to
18 Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment,
19 and the remaining 25% will be added to the Net Settlement Amount and distributed to PAGA Group
20 Members.

21 aa. "PAGA Group Members" means all Class Members employed by Defendant at any
22 time between April 30, 2020 through June 8, 2022 ("PAGA Period").

23 bb. "Participating Class Member(s)" is defined as a Class Member who does not timely
24 exclude himself or herself from the Settlement and will therefore receive his or her share of the Net
25 Settlement Amount automatically without the need to return a claim form. Each Participating Class
26 Member will be paid his/her Individual Settlement Payment.

27 cc. "Preliminary Approval Date" means the date the Court preliminarily approves the
28 Settlement embodied in this Agreement.

1 dd. "Qualified Settlement Fund" or "QSF" means a fund within the meaning of Treasury
2 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
3 Administrator for the benefit of Participating Class Members.

4 ee. "Qualifying Workweeks" means the number of weeks that Class Members worked
5 for Defendant as non-exempt employees during the Class Period.

6 ff. "Released Parties" means Defendant.

7 gg. "Response Deadline" means the deadline by which Class Members must postmark or
8 fax to the Settlement Administrator requests for exclusion or written notices of objection. The
9 Response Deadline will be sixty (60) calendar days after the initial mailing of the Notice Packet by
10 the Settlement Administrator, unless the sixtieth (60th) calendar day falls on a Sunday or federal
11 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
12 Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-
13 mailing.

14 hh. "Settlement Administration Costs" means all costs incurred by the Settlement
15 Administrator in administration of the Settlement, including, but not limited to, mailing of notice to
16 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
17 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
18 of checks to Class Counsel for attorneys' fees and costs, to Named Plaintiff for their Incentive
19 Award, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross
20 Settlement Amount.

21 ii. "Settlement Administrator" means Phoenix Settlement Administrators, which the
22 Parties have agreed will be responsible for the administration of the Individual Settlement Payments
23 to be made by Defendant from the Gross Settlement Amount and related matters under this
24 Agreement.

ARTICLE II

CONTINGENT NATURE OF THE AGREEMENT

Section 2.01: Stipulation of Class Certification for Settlement Purposes

Because the Parties have stipulated to the certification of the Class with respect to all causes of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is contingent upon the approval and certification by the Court. If the Date of Finality does not occur, the fact that the Parties were willing to stipulate for the purposes of this Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification of the Class with respect to all causes of action alleged in the Action. Defendant does not consent to certification of the Class for any purpose other than to effectuate settlement of the Action. If the Date of Finality does not occur, or if Disposition of this Action is not effectuated, any certification of the Class as to Defendant will be vacated and Named Plaintiff, Defendant, and the Class will be returned to their positions with respect to the Action as if the Agreement had not been entered into. In the event that the Date of Finality does not occur: (a) any Court orders preliminarily or finally approving certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this Agreement, the fact that Defendant did not oppose the certification of a Class under this Agreement, or that the Court preliminarily approved the certification of the Class, shall not be used or cited thereafter by any person or entity, including in any manner whatsoever, including without limitation any contested proceeding relating to the certification of any class. If the Date of Finality does not occur, this Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendant expressly reserves the right to challenge the propriety of class certification in the Action for any purpose, if the Date of Finality does not occur.

The Parties and their respective counsel shall take all steps that may be requested by the Court relating to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain Court approval and implement this Agreement. If the Court does not

grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to seek the assistance of mediator Hon. Carl J. West (Ret.) to resolve the dispute.

ARTICLE III

PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT

The procedure for obtaining Court approval of and implementing this Agreement shall be as follows:

Section 3.01: Motion for Conditional Class Certification and Preliminary Approval

Named Plaintiff will bring a motion before the Court for an order conditionally certifying the Class to include all claims pled in the Action based on the preliminary approval of this Agreement. The date that the Court grants preliminary approval of this Agreement will be the "Preliminary Approval Date."

Section 3.02: The Settlement Administrator

The Parties have chosen Phoenix Settlement Administrators to administer this Settlement and to act as the Settlement Administrator, including but not limited to distributing and responding to inquiries about the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks and distributing them to Participating Class Members, establishing and maintaining the QSF, and issuing the payment to Class Counsel for attorneys' fees and costs, the Incentive Award checks to Named Plaintiff, and the employer payroll taxes to the appropriate taxing authorities. The Settlement Administrator shall expressly agree to all of the terms and conditions of this Agreement.

All costs of administering the Settlement, including but not limited to all costs and fees associated with preparing, issuing and mailing any and all notices to Class Members and/or Participating Class Members, all costs and fees associated with computing, processing, reviewing, and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency, all costs and fees associated with preparing any other checks, notices, reports, or filings to be prepared in the

1 course of administering disbursements from the Net Settlement Amount, and any other costs and fees
2 incurred and/or charged by the Settlement Administrator in connection with the execution of its
3 duties under this Agreement ("Settlement Administration Costs"), shall be paid to the Settlement
4 Administrator from the Gross Settlement Amount.

5 **Section 3.03: Notice to Class Members**

6 No later than five (5) business days after the Preliminary Approval Date, Defendant will
7 provide the Settlement Administrator with a "Class List" in electronic format based on its business
8 records, identifying the names of the Class Members, their last known home addresses, Social
9 Security numbers or, as applicable, other taxpayer identification number, their dates of employment
10 and weeks worked during the Class Period.

11 Within ten (10) business days of receiving a Class List from Defendant, the Settlement
12 Administrator will send Class Members, by first-class mail, at their last known address, the Court
13 approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the
14 Settlement Class. The Notice Packet will include a calculation of the Class Member's approximate
15 share of the Net Settlement Amount. Class Members will have sixty (60) days from the date of
16 mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the
17 Settlement Administrator will check all Class Member addresses against the National Change of
18 Address database and shall update any addresses before mailing. The Settlement Administrator will
19 skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a
20 Notice Packet was undeliverable. If a Class Member's notice is re-mailed, the Class Member shall
21 have fifteen (15) calendar days from the re-mailing, or sixty (60) calendar days from the date of the
22 initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class
23 Members shall not be required to submit claim forms in order to receive a proportional share of the
24 Net Settlement Amount.

25 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
26 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose
27 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
28 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or

1 mass search on LexisNexis or comparable databases based on set criteria and, if another address is
2 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the Parties
3 that reasonable means be used to locate Class Members and that the Settlement Administrator be
4 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
5 Individual Settlement Payments to all Participating Class Members.

6 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
7 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
8 status report provided to the Parties.

9 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
10 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
11 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
12 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
13 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
14 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
15 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
16 procedures set forth in Section 3.06(g) below.

17 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
18 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
19 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
20 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
21 exclusion and objections that the Settlement Administrator received.

22 **Section 3.04: Responses to Notice**

23 **a. Class Member Disputes**

24 If any Class Member disagrees with Defendant's records as to his or her Qualifying
25 Workweeks during the Class Period as reflected in the Notice Packet, the Class Member shall set
26 forth in writing the Qualifying Workweeks he/she claims to have worked during the Class Period
27 and submit such writing to the Settlement Administrator by the Response Deadline, along with any
28 supporting documentation. The Notice will also provide a method for the Class Member to challenge

1 the employment data on which his or her Individual Settlement Payment is based. The Settlement
2 Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith
3 to resolve it. If the Parties are unable to resolve the dispute, the Settlement Administrator will decide
4 the Qualifying Workweeks for each Class Member during the Class Period based on the information
5 provided to it. If a Party disagrees with the Settlement Administrator's determination, the dispute
6 will be presented to the Court for determination.

7 **b. Requests for Exclusion from Class**

8 In order for any Class Member to validly exclude himself or herself from the Class and this
9 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
10 Member or his or her authorized representative, and must be sent to the Settlement Administrator,
11 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
12 Administrator re-mails the Notice to the Class Member, whichever is later). The Notice Packet shall
13 contain instructions on how to validly exclude himself or herself from the Class and this Settlement
14 (*i.e.*, opt out), including the language to be used in a request for exclusion. The date of the initial
15 mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be
16 conclusively determined according to the records of the Settlement Administrator. Any Class
17 Member who timely and validly requests exclusion from the Class and this Settlement will not be
18 entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this
19 Agreement, and will not have any right to object, appeal, or comment thereon.

20 Any Class Member who fails to timely submit a request for exclusion shall automatically be
21 deemed a Class Member whose rights and claims with respect to the issues raised in the Action are
22 determined by the Court's Final Order Approving Settlement of Class Action, and by the other
23 rulings in the Action. Thus, said Class Member's rights to pursue any claims covered by the Action
24 and/or released in this Agreement will be extinguished.

25 **c. Objections to Settlement**

26 For any Class Member to object to this Agreement, or any term of it, the person making the
27 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
28 Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)

1 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),
2 a written statement of the grounds of objection, signed by the objecting Class Member or his or her
3 attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and
4 the date the signed objection was postmarked, shall be conclusively determined according to the
5 records of the Settlement Administrator. The Settlement Administrator shall send any objections it
6 receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class
7 Members may also appear at the final approval hearing to object. The Court retains final authority
8 with respect to the consideration and admissibility of any Class Member objections.

9 **d. Encouragement of Class Members**

10 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
11 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
12 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
13 Class Members.

14 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

15 Defendant has estimated the number of Qualifying Workweeks as 8,000. If the number of
16 Qualifying Workweeks exceeds 8,000 of the Class Period, there will be a pro rata adjustment to the
17 Gross Settlement Amount equal to \$68.75 per additional Qualifying Workweek.

18 **f. Defendant's Right to Withdraw from the Settlement**

19 If (i) 10% or more of the Class Members, or (ii) Class Members whose share of the class
20 settlement proceeds are collectively 10% or more, opt out of the Settlement, then Defendant may, at
21 its election, rescind the Settlement and all actions taken in furtherance of it will be thereby null and
22 void. If Defendant exercises this right of recession, it must do so in writing, that is mailed to Class
23 Counsel by overnight mail, addressed to: Aegis Law Firm, 9811 Irvine Center Dr., Suite 100, Irvine,
24 CA 92618 within fifteen (15) calendar days of when the Claims Administrator notifies the Parties of
25 the total number of opt-outs. If the option to rescind is exercised, then Defendant shall be solely
26 responsible for all Settlement Administration Costs accrued to that point.

1 **Section 3.05: Final Fairness and Approval Hearing**

2 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
3 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
4 and determine whether the Court should give it final approval, and (2) consider any objections made
5 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the
6 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
7 Proposed Final Order Approving Settlement of Class Action.

8 **Section 3.06: Settlement Payment Procedures**

9 **a. Settlement Amount**

10 In exchange for the Released Claims set forth in this Agreement, Defendant agrees to pay the
11 Gross Settlement Amount in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00),
12 subject to a pro rata increase under the condition set forth in Section 3.04(e). The Gross Settlement
13 Amount includes all Individual Settlement Amounts to Participating Class Members, all
14 administration costs, Class Counsel's attorney's fees and costs, PAGA Settlement Amount, and the
15 Incentive Payments.

16 Within ten (10) calendar days after the Court signs the Final Order, Defendant shall transfer
17 the Gross Settlement Amount plus Defendant's share of employer-side payroll taxes, as set forth
18 herein, into a QSF established by the Settlement Administrator either directly or by sending the funds
19 to the Settlement Administrator to be deposited and distributed. The Settlement Administrator will use
20 these funds to fund payment of the Individual Settlement Payments to Participating Class Members,
21 Class Counsel's attorneys' fees and costs, the Incentive Award, the LWDA Payment, and the
22 Settlement Administration Costs.

23 Within ten (10) court days after receiving Defendants' final payment, funding the Gross
24 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments
25 to Participating Class Members, Class Counsel's attorneys' fees and costs, LWDA Payment, the
26 Incentive Award, and employer and employee tax withholdings applicable to the Net Settlement
27 Amount allocated to wages. Prior to this distribution, the Settlement Administrator will perform a
28

1 search based on the National Change of Address Database to update and correct for any known or
2 identifiable address changes.

3 **b. Payment of Attorneys' Fees and Costs**

4 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
5 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is One
6 Hundred Eighty Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents
7 (\$183,333.33). Class Counsel shall submit an application for an award of costs not to exceed Twenty
8 Thousand Dollars (\$20,000.00). Such application for attorneys' fees and costs shall be heard by the
9 Court at the Final Fairness and Approval Hearing. Defendant shall not object to or oppose any such
10 application in these amounts. Class Counsel shall serve Defendant with copies of all documents
11 submitted in support of their application for an award of attorneys' fees and costs.

12 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
13 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
14 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
15 and expenses related to the investigation, prosecution, and settlement of the Action incurred through
16 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
17 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
18 will be reallocated to the Net Settlement Amount.

19 **c. Payment of Settlement Administration Costs**

20 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
21 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
22 Seven Thousand Two Hundred Fifty Thousand Dollars (\$7,250.00).

23 **d. Payment of Incentive Award to Named Plaintiff**

24 Subject to Court approval, the Named Plaintiff shall receive an Incentive Award of up to Ten
25 Thousand Dollars (\$10,000.00), the request for which Defendant will not object to or oppose. The
26 Incentive Award shall be paid out of the Gross Settlement Amount and shall not constitute payment
27 to any Participating Class Member(s) other than Named Plaintiff. To the extent that the Court
28

1 approves less than the amount of incentive award that Class Counsel request, the difference between
2 the requested and awarded amounts will be reallocated to the Net Settlement Amount.

3 Because it is the intent of the Parties that the Incentive Award represent payment to Named
4 Plaintiff for their service to the Class Members, and not wages, the Settlement Administrator will not
5 withhold any taxes from the Incentive Award. The Incentive Award will be reported on a Form 1099,
6 which the Settlement Administrator will provide to Named Plaintiff and to the pertinent taxing
7 authorities as required by law.

8 **e. Payment to the Labor and Workforce Development Agency**

9 In consideration of claims made under PAGA, Class Counsel will request that the Court
10 approve allocation of Twenty-Five Thousand Dollars (\$25,000) of the Gross Settlement Amount to
11 these claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
12 Workforce Development Agency ("LWDA Payment"), and twenty-five percent (25%) will be paid
13 to the Net Settlement Amount for distribution to PAGA Group Members. Defendant will not oppose
14 this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount.
15 The Court's adjustment, if any, of the amount allocated to Named Plaintiff's PAGA claim in the
16 Action, will not invalidate this Agreement.

17 **f. Payment of Individual Settlement Payments to Participating Class Members**

18 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
19 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
20 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
21 each Class Member. To calculate the minimum amount each Class Member will receive based on
22 their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total
23 number of Qualifying Workweeks by all Class Members during the Class Period and then allocated
24 on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class
25 Member's approximate Individual Settlement Payment amount will be included in his or her Notice
26 Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to
27 Participating Class Members (those who did not exclude themselves) on a pro rata basis based on the
28

1 individual Qualifying Workweeks worked during the Class Period by each Participating Class
2 Member.

3 Each Individual Settlement Payment will represent wages and penalties allocated using the
4 following formula: 20% allocated to wages; 70% allocated to interest, and 10% allocated to penalties.
5 The amounts paid as wages shall be subject to all tax withholdings customarily made from an
6 employee's wages and all other authorized and required withholdings and shall be reported by W-2
7 forms. The employer-side taxes will be paid separate from and in addition to the Gross Settlement
8 Amount. The amounts paid as penalties and interest shall be subject to all authorized and required
9 withholdings other than the tax withholdings customarily made from employees' wages and shall be
10 reported by IRS 1099 forms.

11 No later than ten (10) business days after receiving the Gross Settlement Amount from
12 Defendant, the Settlement Administrator shall prepare and mail the checks for the Individual
13 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
14 Net Settlement Amount allocated to wages will be reduced by applicable employer and employee
15 tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of
16 the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the
17 extent required by law for the interest and penalty portions of the Individual Settlement Payments.
18 Participating Class Members shall have 180 days from the date their Individual Settlement Payment
19 checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration
20 of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller
21 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

22 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
23 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
24 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
25 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
26 Settlement Administrator is unable to obtain a valid mailing address through this process, the
27 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
28 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

1 **g. Default on Payment.**

2 Defendant's failure to fund the Gross Settlement Amount within ten (10) calendar days after
3 the date that the Court grants final approval of the Settlement shall be considered a default. In the
4 event Defendant fails to timely fund the Gross Settlement Amount, the Settlement Administrator will
5 provide notice to Class Counsel and Defendant's counsel within three (3) business days of the missed
6 payment. Thereafter, Defendant will have seven (7) days to cure the default and tender payment to
7 the Settlement Administrator. In the event Defendant fails to cure the default within the times set
8 forth herein, Named Plaintiff may elect to enter judgment against Defendant, on an ex parte basis,
9 for the balance of the unpaid Gross Settlement Amount to date, and Named Plaintiff will be entitled
10 to recover interest at ten percent (10%) per year from the due date for such payment and reasonable
11 attorneys' fees and costs.

12 **h. No Credit Toward Benefit Plans.**

13 The Individual Settlement Payments made to Participating Class Members under this
14 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
15 calculate any additional benefits under any benefit plans to which any Class Members may be
16 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
17 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
18 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
19 Members may be entitled under any benefit plans.

20 **ARTICLE IV**

21 **LIMITATIONS ON USE OF THIS SETTLEMENT**

22 **Section 4.01: No Admission**

23 Defendant disputes the allegations in the Action and disputes that, but for this Settlement, a
24 Class should not have been certified in the Action. This Agreement is entered into solely for the
25 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
26 construed as an admission of liability or wrongdoing by Defendant.

1 **Section 4.02: Non-Evidentiary Use**

2 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
3 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
4 deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties,
5 including but not limited to, evidence of a presumption, concession, indication, or admission by any
6 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
7 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
8 proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this
9 Agreement or for Defendant to establish that a Class Member has resolved any of his or her claims
10 released through this Agreement.

11 **Section 4.03: Nullification**

12 The Parties have agreed to the certification of the Class encompassing all claims alleged in
13 the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason
14 fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this
15 Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order
16 is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the
17 Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
18 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
19 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had
20 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
21 stipulate to class certification of all causes of action pled in the Action as part of the Settlement will
22 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
23 should be certified by the Court in a non-settlement context in this Action or any other action, and in
24 any of those events, Defendant expressly reserves the right to oppose certification of the Class.

25 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
26 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

ARTICLE V

RELEASES

Section 5.01: Released Claims by Class Members

Upon the date Defendant transfers the Gross Settlement Amount, Named Plaintiff and Participating Class Members who do not opt out of the Settlement, on their own behalf and on behalf of their successors, assigns, and/or agents, shall fully and finally release the Released Parties and its past and present affiliates, and respective shareholders, members, partners, representatives, agents, insures, and each of their predecessors, successors, heirs, and assigns, and any individual or entity which could be jointly liable with Defendants (collectively, the "Released Parties"), from the Released Claims that arose during the Class Period. For purposes of this Agreement, the "Released Claims" are defined as any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description, under state and federal law, that were alleged or which could have been alleged based on the factual allegations in Plaintiff's Operative Complaint, including all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting 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, payment of all wages due at separation of employment, including off-the-clock work; wage statements; declaratory relief; failure to keep accurate records; unfair business practices related to the 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. The Released Claims include all such claims arising under California Labor Code (including, but not limited to, sections 201, 202, 203, 226, 226.3, 226.7, 512, 515, 558, 1102.5, 1174, 1174.5, 1198, 2698 and 2699 et seq.); 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.,

The Participating Class Members agree, upon the Effective Date and by operation of the Final Approval Order, to release any further attempt, by lawsuit, administrative claim or action, arbitration,

1 demand, or other action of any kind by each and all of the Participating Class Members, to obtain a
2 recovery against any of the Released Parties for the Released Claims. Class Members who endorse
3 their settlement checks waive and release any claims under the Fair Labor Standards Act, 29 U.S.C.
4 § 201 et seq. ("FLSA") arising during the Class Period arising from any or all of the aforementioned
5 claims.

6 This release excludes the release of claims not permitted by law.

7 **Section 5.02: Released Claims by PAGA Group Members**

8 Upon the date of funding the GSA, the State of California and PAGA Group Members release
9 the Released Parties from all claims exhausted in Plaintiff's notice(s) sent to the LWDA and alleged
10 in the operative complaint, which arose during the PAGA Period, regardless of whether PAGA Group
11 Members opt out of the Class Settlement.

12 **Section 5.03: Named Plaintiff's Release of Unknown Claims**

13 Upon the date of funding the GSA, Named Plaintiff, waives, releases, acquits, and forever
14 discharges the Released Parties from any and all claims, actions, charges, complaints, grievances,
15 and causes of action, of any nature arising from Named Plaintiff's employment with Defendant,
16 whether known or unknown, which exist or may exist as of the Parties' execution of this Agreement.

17 Section 1542 of the California Civil Code provides as follows:

18 *"A general release does not extend to claims that the creditor or releasing*
19 *party does not know or suspect to exist in his or her favor at the time of*
20 *executing the release and that, if known by him or her, would have*
21 *materially affected his or her settlement with the debtor or released party."*

22 Plaintiff's general release provided herein is made with an express waiver and relinquishment
23 of any claim, right, or benefit under California Civil Code § 1542.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01: Amendments or Modification

The terms and provisions of this Agreement may be amended or modified only by an express written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel, and approved by the Court.

Section 6.02: Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

Section 6.03: Governing Law

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, without regard to conflicts of laws.

Section 6.04: Entire Agreement

This Agreement, including the Exhibits referred to herein, which form an integral part hereof, contains the entire understanding of the Parties with respect to the subject matter contained herein. In case of any conflict between text contained in Articles I through VI of this Agreement and text contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be controlling, unless the Exhibits are changed by or in response to a Court order. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the Parties with respect to the settlement of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of prior agreements or proposals.

1 **Section 6.05: Waiver of Compliance**

2 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
3 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
4 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
5 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
6 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
7 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

8 **Section 6.06: Counterparts and Fax/PDF Signatures**

9 This Agreement, and any amendments hereto, may be executed in any number of counterparts
10 and any Party and/or their respective counsel may execute any such counterpart, each of which when
11 executed and delivered shall be deemed to be an original. All counterparts taken together shall
12 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
13 signature.

14 **Section 6.07: Meet and Confer Regarding Disputes**

15 Should any dispute arise among the Parties or their respective counsel regarding the
16 implementation or interpretation of this Agreement, a representative of Class Counsel and a
17 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
18 to submitting such disputes to the Court.

19 **Section 6.08: Agreement Binding on Successors**

20 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
21 of each of the Parties.

22 **Section 6.09: Cooperation in Drafting**

23 The Parties have cooperated in the negotiation and preparation of this Agreement. This
24 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
25 was the drafter or participated in the drafting of this Agreement.

26 **Section 6.10: Fair and Reasonable Settlement**

27 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
28 the Action and have arrived at this Agreement through arm's-length negotiation and in the context

1 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
2 further believe that the Settlement is and is consistent with public policy, and fully complies with
3 applicable law.

4 **Section 6.11: Headings**

5 The descriptive heading of any section or paragraph of this Agreement is inserted for
6 convenience of reference only and does not constitute a part of this Agreement and shall not be
7 considered in interpreting this Agreement.

8 **Section 6.12: Notice**

9 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
10 communications under this Agreement must be in writing and addressed as follows:

11 *To Named Plaintiff and the Class:*

12 Samuel A. Wong
13 Kashif Haque
14 Jessica L. Campbell
15 Fawn F. Bekam
16 AEGIS LAW FIRM, PC
17 9811 Irvine Center Drive, Suite 100
18 Irvine, California 92618
19 Telephone: (949) 379-6250
20 Facsimile: (949) 379-6251
21 fbekam@aegislawfirm.com

22 And

23 *To Defendant:*

24 Matthew J. Kraus
25 LESTER, CANTRELL & KRAUS, LLP
26 1770 Iowa Avenue, Suite 110
27 Riverside, California 92507
28 Telephone: (951) 300-2690
Facsimile: (951) 300-2694
MLester@lc-lawyers.com

29 **Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction**

30 To the extent consistent with class action procedure, this Agreement shall be enforceable by
31 the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court
32 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the

1 liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the
2 terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall
3 retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest
4 extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more
5 of the Parties institutes any legal action or other proceeding against any other Party or Parties to
6 enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover
7 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness
8 fees incurred in connection with any enforcement actions.

9 **Section 6.14: Mutual Full Cooperation**

10 The Parties agree fully to cooperate with each other to accomplish the terms of this
11 Agreement, including but not limited to the execution of such documents, and the taking of such
12 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
13 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
14 terms. In the event the Parties are unable to reach agreement on the form or content of any document
15 needed to implement the Settlement, or on any supplemental provisions that may become necessary
16 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

17 **Section 6.15: Authorization to Act**

18 Class Counsel warrants and represents that they are authorized by Named Plaintiff, and
19 Defense Counsel warrants that they are authorized by Defendant, to take all appropriate action
20 required to effectuate the terms of this Agreement, except for signing documents, including but not
21 limited to this Agreement, that are required to be signed by the Parties themselves. Defendant
22 represents and warrants that the individual executing this Agreement on its behalf has the full right,
23 power, and authority to enter into this Agreement and to carry out the transactions contemplated
24 herein.

25 **Section 6.16: No Reliance on Representations**

26 The Parties have made such investigation of the facts and the law pertaining to the matters
27 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,
28 on any statement, promise, or representation of fact or law, made by any of the other parties, or any

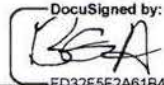
1 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
2 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
3 to any other matters. No representations, warranties, or inducements, except as expressly set forth
4 herein, have been made to any party concerning this Agreement.

5 **EXECUTION BY PARTIES AND COUNSEL**

6 The Parties and their counsel hereby execute this Agreement.

7
8
9 Dated: 7/29/2022

BRIAN HARVEY

10 By:  FD32F5F2A61B410
11 Named Plaintiff
12
13
14
15

16 Dated: 8/10/2022

ADVISORS MORTGAGE GROUP, LLC

17 By: 
18 (Signature)
19 SEAN M CLARK
20 (Printed Name)
21 Vice President
22 (Title)
23
24
25
26
27
28

1 **APPROVED AS TO FORM ONLY:**

2
3 Dated: August 1, 2022

AEGIS LAW FIRM, PC

4
5
6 By: 

Fawn F. Bekam

7 Attorneys for Named Plaintiff Brian Harvey

8
9 Dated:

10 8/10/2022

LESTER, CANTRELL & KRAUS LLP

11 By: 

12 Matthew J. Kraus

13 Attorneys for Defendant Advisors Mortgage
14 Group, LLC
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EXHIBIT A

THIS IS AN IMPORTANT COURT-APPROVED NOTICE. READ CAREFULLY.

Harvey v. Advisors Mortgage Group, LLC
San Diego County Superior Court
Case No. 37-2021-00019330-CU-OE-CTL

If you worked as a non-exempt employee in California for Advisors Mortgage Group, LLC (“AMG”) at any time from November 3, 2016 through June 8, 2022, a class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

- You have been identified as a Class Member (as defined below) in a Lawsuit (as defined below) brought by a former AMG employee.
- The Court has preliminarily approved a class action settlement with AMG, in accordance with the terms of the Joint Stipulation of Settlement filed in the Lawsuit (the “Settlement”), which will affect all hourly paid employees employed by AMG in California from November 3, 2016 through June 8, 2022 (the “Class Period”).
- If the Court grants final approval of the Settlement, there will be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Settlement Class (as defined below) and will collect a settlement award as detailed below. But you give up certain rights to sue AMG separately about the legal claims raised in this Lawsuit.
OBJECT TO THE SETTLEMENT – <u>ACTION REQUIRED</u>	Stay in this Lawsuit. Object to the Settlement. May give up certain rights. If you object to the Settlement, you will remain a member of the Class (as defined below), and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members (as defined below) who do not object.
ASK TO BE EXCLUDED – <u>ACTION REQUIRED</u>	Get out of this Lawsuit. Get no payments from it. Keep rights. If you ask to be excluded from the Settlement, you won’t receive any payments. But you keep any rights to sue AMG separately about the legal claims raised or that could have been raised in this Lawsuit.

- Your options are explained in this notice. To object to the Settlement or to ask to be excluded, you must act before [DATE].

- **Any questions?** Read on or contact Class Counsel (as defined below) or the Settlement Administrator (as defined below).

WHAT THIS NOTICE CONTAINS

BASIC INFORMATIONPAGE - 3 -

1. Why did I get this notice?
2. What is the Lawsuit about?
3. What is a class action and who is involved?
4. Why is this Lawsuit a class action?
5. What are the terms of the proposed Settlement?

WHO IS IN THE CLASSPAGE - 4 -

6. Am I part of this Class?
7. I'm still not sure if I am included.

YOUR RIGHTS AND OPTIONSPAGE - 5 -

8. What is my approximate Individual Settlement Payment?
9. What rights am I releasing if I participate in the Settlement?
10. How do I object to the Settlement?
11. Why would I ask to be excluded?
12. How do I ask to be excluded from the Class?

THE LAWYERS REPRESENTING YOUPAGE - 6 -

13. Do I have a lawyer in this case?
14. How will the lawyers be paid?
15. How will the Plaintiff be paid?

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESSPAGE - 7 -

16. Who is handling the settlement administration process?
17. When is the Final Approval Hearing and do I have to attend?

GETTING MORE INFORMATIONPAGE - 7 -

18. Are more details available?

BASIC INFORMATION

1. Why did I get this notice?

AMG's records show that you currently work, or previously worked for AMG in California as a non-exempt, hourly paid employee. This notice explains that the Court has given preliminary approval to a Settlement in a conditionally certified class action lawsuit that may affect you. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge Katherine Bacal of the Superior Court of the State of California, County of San Diego, is overseeing this lawsuit. The lawsuit is known as *Harvey v. Advisors Mortgage Group, LLC*, Case No. 37-2021-00019330-CU-OE-CTL (the "Lawsuit").

2. What is this Lawsuit about?

The Lawsuit is about whether AMG provided hourly paid employees with proper meal periods, authorized rest periods, paid all minimum and overtime wages, paid all wages owed upon termination of employment, provided proper wage statements, and violated California's Unfair Competition Law, all as required by applicable California laws.

AMG denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit and further denies that any of the claims are appropriate for class treatment. AMG contends, among other things, that it has complied at all times with applicable law in connection with its compensation of Class Members.

3. What is a class action and who is involved?

In a class action lawsuit such as this, persons called "Class Representatives" sue on behalf of other people who may have similar claims. The people together are a "Class" and individually are "Class Members." The Class Representatives are also called the Plaintiffs. The company that was sued (in this case AMG) is called the Defendant. In Class litigation, one Court resolves the issues for everyone in the Class in one lawsuit – except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the Settlement with AMG, Plaintiff and AMG agreed to conditionally certify the Class as a class action with respect to all of the claims Plaintiff alleged against AMG, for settlement purposes only, and to ask the Court to approve the Settlement. The Court has not ruled on the merits of these claims, and the decision to certify the agreed-upon Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiffs or the Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

The major terms of the Settlement are as follows:

1. AMG has agreed to pay \$550,000 to settle the claims made in the Lawsuit made no later than 10 days after final approval. This amount is also known as the "Gross Settlement Amount."
2. Plaintiff Brian Harvey agreed to release all of his claims in the Lawsuit against AMG.
3. Plaintiff seeks the following deductions from the \$550,000 Gross Settlement Amount:
 - a. One-third of the Gross Settlement Amount (which is currently equal to \$183,333.33) for Class Counsel's attorneys' fees.
 - b. Up to \$20,000.00 for reimbursement of Class Counsel's litigation costs.
 - c. An incentive award of \$10,000.00 for Plaintiff Brian Harvey for having filed this Lawsuit, work performed, and risks undertaken.
 - d. Up to \$7,250.00 to cover the costs of the Settlement Administrator.
 - e. \$25,000 to resolve claims under the Private Attorneys' General Act of 2004. 75% of this amount (\$18,750) will be paid to the Labor and Workforce Development Agency, and the remaining 25% (\$6,250) will be distributed to class members who worked for Defendant at any time from April 30, 2020 through June 8, 2022.

If the Court approves each of the requested deductions from the Gross Settlement Amount, the Parties estimate there will be approximately \$304,416.67 remaining. The remaining funds will be referred to as the "Net Settlement Amount." The Net Settlement Amount will be distributed to Class Members who do not request exclusion (the "Participating Class Members") according to the following formula:

The Settlement Administrator will calculate the total Qualifying Workweeks for all Settlement Class Members. Qualifying Workweeks means the number of workweeks during which Class Members worked for Defendant during the Class Period. The Net Settlement Amount will be divided by the total number of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro rata basis.

Your estimated Individual Settlement Payment is listed in section 8 of this Notice. Payroll deductions will be made to your Individual Settlement Payment for state and federal withholding taxes and any other applicable payroll deductions owed by you as a result of the payment, with 20% allocated to wages, 10% allocated to interest, and 70% allocated to penalties. The taxes ordinarily paid by an employer will be paid separate from the Gross Settlement Amount.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The "Settlement Class" is the group of all persons who worked as non-exempt, hourly paid employees in California for AMG at any time from November 3, 2016 through June 8, 2022 (the "Class Period").

7. I'm still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting _____ the "Settlement Administrator", at the designated phone number for this matter at _____, or by calling or writing the lawyers representing the Class in this case ("Class Counsel"), at the phone number or address listed in section 18.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, object to the settlement, or ask to be excluded from the Settlement, and you have to decide this by no later than [DATE].

8. What is my approximate Individual Settlement Payment?

According to payroll records maintained by AMG, the total number of weeks you worked in California for AMG as an hourly paid employee during the Class Period is _____.

Based on information provided above, anticipated court-approved deductions, and preliminary calculations of Qualifying Workweeks, it is estimated your share of the Settlement will be \$_____, less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you.

If you believe your total weeks worked during the Class Period shown above are not correct, you may send a letter to the Settlement Administrator indicating what you believe is correct. You may also send any documents or other information that supports your belief that the information set forth above is incorrect. The Settlement Administrator will resolve any dispute based upon AMG's records and any information you provide. Please be advised that the number of weeks you worked as an hourly paid employee in California during the Class Period is presumed to be correct unless you submit documents to support your dispute. Any such dispute must be mailed to the Settlement Administrator no later than [DATE].

9. What rights am I releasing if I participate in the Settlement?

You are releasing AMG and its past and present affiliates, and respective shareholders, members, partners, representatives, agents, insurers, and each of their predecessors, successors, heirs, and assigns, and any individual or entity which could be jointly liable with AMG, from any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description, under state and federal law, that were alleged or which could have been alleged based on the factual allegations in Plaintiff's Operative Complaint, including all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting 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, payment of all wages due at separation of employment, including off-the-clock work; wage statement penalties; minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. ("Released

Claims”). The Release Claims include all such claims arising under California Labor Code (including, but not limited to, sections 201, 202, 203, 226, 226.3, 226.7, 512, 515, 558, 1102.5, 1174, 1174.5, 1198, 2698, and 2699 et seq.); 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. You will release these Released Claims through June 8, 2022.

10. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, must not opt out). If you submit both a request for exclusion and an objection, you will be excluded from the settlement (see paragraphs 11 and 12 below), and your objection will not be considered. No later than [DATE], you should mail a written objection to the Settlement Administrator (at the address in section 18 below) setting forth the grounds of objection, signed and dated by you or your attorney, along with any supporting documents. You can also appear at the final approval hearing yourself or through an attorney. The information for the hearing is included in Section 17 of this notice.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Settlement. If you exclude yourself from the Class—sometimes called “opting-out” of the Class – you won’t get any money or benefits from the Settlement. However, you may then be able to sue or continue to sue AMG for your own Claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court’s disposition of this Lawsuit. If you exclude yourself, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations.

12. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class, you need to fill out and submit the exclusion form provided, or submit a written request for exclusion which states the following:

“I wish to exclude myself from the settlement reached in the matter of *Harvey v. Advisors Mortgage Group, LLC*, Case No. 37-2021-00019330-CU-OE-CTL. I understand that by excluding myself, I will not receive any money from the settlement.”

This request must be signed and mailed to the Settlement Administrator at the address below in section 18, and it must be postmarked on or before [DATE]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. Any Class Member who requests to be excluded from the Class will not be entitled to any recovery under the Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before [DATE] shall be bound by all terms of the Settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court decided that Aegis Law Firm, PC is qualified to represent you and all Class Members. This law firm is called "Class Counsel" in the context of this case. The law firm's attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at www.aegislawfirm.com.

14. How will the lawyers be paid?

As part of the Settlement with AMG, Class Counsel has requested one-third of the Gross Settlement Amount (currently, that is equal to \$183,333.33) in attorneys' fees, plus costs not to exceed \$20,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

15. How will the Plaintiff be paid?

As part of the Settlement with AMG, Class Counsel has requested an enhancement of up to \$10,000.00 to be paid to Plaintiff Brian Harvey for his efforts in this matter during initial investigation, mediation and the like, while serving as Class Representatives and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

16. Who is handling the Settlement Administration process?

The Settlement Administrator, Phoenix Settlement Administrators, will handle the process.

17. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [DATE] at [TIME] p.m. in Department C-69 of the Superior Court of the State of California, County of San Diego, located at 330 W. Broadway, San Diego, CA 92101. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement as discussed above, you may appear at the hearing to object.

GETTING MORE INFORMATION

18. Are more details available?

A copy of the entire Settlement Agreement, titled Joint Stipulation of Settlement, was filed in this case as Exhibit 1 to the Declaration of Fawn F. Bekam in Support of Plaintiff's Motion for Preliminary Approval filed on [DATE]. You can view the Lawsuit's records online by visiting the Court's website (<https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>), clicking on "Register of Actions", entering the Case Number 37-2021-00019330-CU-OE-CTL in the search box, and clicking search.

You may contact the "Settlement Administrator," which is:

Phoenix Settlement Administrators

ADDRESS

FAX

You may contact Counsel:

Counsel for Plaintiff Brian Harvey
Samuel A. Wong
Kashif Haque
Fawn F. Bekam
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251
fbekam@aegislawfirm.com

Please note that AMG will NOT retaliate against any employee or Class Member for participating or not participating in this Lawsuit. AMG prohibits retaliation and will not tolerate retaliation against any employee who participates in this Settlement or who chooses not to participate. AMG supervisors and managers of Class Members will not be provided or have access to information pertaining to the identity of Class Members or their choices related to this Settlement.

PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT, OR TO ANY AMG MANAGER OR SUPERVISOR REGARDING THIS NOTICE OR THE LAWSUIT.