

MEMORANDUM OF UNDERSTANDING RE CLASS ACTION SETTLEMENT

Agum v. Abacus Business Capital, Inc.

1. **Gross Settlement Amount (GSA):** \$1,700,000 paid as follows: (1) \$850,000.00, 30 days after final approval; and (2) \$850,000.00 on January 05, 2024. This amount consists of and is wholly inclusive of all payments to the Settlement Class (as wages, statutory and civil penalties, and interest), attorney's fees, reasonably incurred costs, claims administration costs, payment to the LWDA, the Enhancement Award, and all required withholdings for employee's-side taxes.
2. **Net Settlement Amount (NSA):** Attorneys' fees, costs, class representative enhancement award, LWDA payment, settlement administration costs, and employee's-side taxes will be deducted from the GSA to calculate the Net Settlement Amount (NSA) to be distributed to the Class Members.
3. **No Reversion, No Claims Made:** There will be no reversion to Defendant and no claims process for Class Members to receive payment.
4. **No Admission of Liability:** The parties expressly agree that the execution of this MOU or any subsequent long-form settlement agreement, payment of any consideration, or undertaking of any obligation, is not and shall not be construed in any way as an admission by Defendant of any wrongdoing or liability whatsoever.
5. **Release:** All Class Members who do not opt out of the Settlement will be bound by a release of all claims alleged or that could have been alleged based on the facts alleged in the operative complaint, which arose during the Class Period. This release shall include, but is not limited to, all individual and class claims for violations of Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198. In addition, all Class Members shall release claims under PAGA for violations of Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198 and such PAGA release will be effective and binding irrespective of whether the Class Member opted out of the class portion of the settlement. The named Plaintiff will sign a Civil Code 1542 general release.
6. **Settlement Class:** The settlement class will consist of all non-exempt employees (each a "Class Member") employed by Defendant in California at any time between November 13, 2017, through November 02, 2022 ("Class Period").
7. **Net Settlement Fund Designation/Characterization of Settlement Payments to Class:** 72% wages, 5% penalties and 23% interest.
8. **Rescission:** At its sole discretion, Defendant has the right (but not the obligation) to rescind the settlement in its entirety if 25% or more of the Settlement Class Members opt(s) out of the settlement. Defendant may exercise this right of rescission, by informing Plaintiff's Counsel in writing via e-mail or certified U.S. Mail, within 15 calendar days after the Claims Administrator notifies the Parties of the total number of opt-outs. In the event that Defendant exercises this option to rescind, then the settlement shall be considered null and void in its entirety and the parties shall be placed in the same positions

in the litigation as if this MOU and any subsequent settlement agreement had never been executed. Defendant shall be solely responsible for the fees of the Claims Administrator, if any.

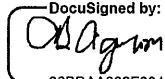
9. **Enhancement Award:** Non-opposition to request for \$10,000 for Plaintiff. Any portion of the Enhancement Awards allocation not approved by the court will revert to participating Class Members.
10. **Employer's Share of Payroll Taxes:** In addition to the GSA, Defendant shall fund an amount equal to the employer-side payroll taxes (with respect to the amount of the settlement allocated to wages only) through the Class Administrator and the Class Administrator will be responsible for using such funds to pay the employer-side payroll taxes as required by law.
11. **Uncashed or Returned Checks:** Funds from uncashed or returned checks will be distributed to a cy pres chosen by the parties or the State Controller Unclaimed Property Fund.
12. **Settlement Administration Costs:** Non-opposition to request for reimbursement for the claims administrator's costs, which will be paid from the GSA. Any unused funds of this cost allocation will revert to participating Class Members.
13. **Attorney's Fees:** Non-opposition to request for attorney's fees of up to 35% of the GSA. Any portion of the fee allocation not approved by the court will revert to participating Class Members.
14. **Costs:** Non-opposition to request for reimbursement for Plaintiff's litigation costs, which will be paid from the GSA. Any unused funds of this cost allocation will revert to participating Class Members.
15. **Payment to LWDA:** The parties allocate \$100,000 to settlement of PAGA claims, 75% of which shall be paid to the California Labor & Workforce Development Agency ("LWDA") and 25% of which shall be part of the NSA to be distributed to the Class Members.
16. **Settlement Distribution to Class Members:** Class Member settlement shares will be calculated in a *pro rata* manner based on the number of weeks worked per Class Member during the Class Period.
17. **Pro Rata Increase:** Defendant estimates there were 2,848 Class Members and a total number of 192,050 weeks worked by Class Members during the Class Period. In the event that either (i) the actual number of Class Members exceeds 2,848 by more than ten percent (10%); or (ii) the total number of workweeks worked by Class Members during the Class Period exceeds 192,050 weeks by more than ten percent (10%), then the GSA will increase *pro rata* based on either (i) the number of additional Class Members (beyond the 10% threshold) or (ii) the number of additional workweeks (beyond the 10% threshold), whichever is greater.
18. **Enforceability:** The Parties intend to enter into a more formal "long form" agreement not inconsistent with the terms of this MOU within 30 days of the date of execution of this MOU,

but if they fail to execute a more formal agreement, this MOU will be final, binding and enforceable pursuant to California Code of Civil Procedure section 664.6.

19. **Drafting of Long-Form Settlement Agreement and Preliminary Approval Papers:**
Plaintiff's counsel will draft the long-form settlement agreement. Plaintiffs' counsel will draft the motion for preliminary approval and motion for final approval.

Dated: 2/15/2023 | 4:31 PM PST

PLAINTIFF AURORA AGUM

DocuSigned by:

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Aurora Agum

Dated: _____

DEFENDANT ABACUS BUSINESS
CAPITAL, INC.

By: _____

Dated: 2/15/2023

AEGIS LAW FIRM, PC



Samuel Wong
Attorneys for Plaintiff

Dated: _____

GONZALEZ WEERASURIYA, APC

Suren N. Weerasuriya
Attorneys for Defendant

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Dated: _____

PLAINTIFF AURORA AGUM

Aurora Agum

Dated: January 23, 2023

DEFENDANT ABACUS BUSINESS
CAPITAL, INC.

Herman S. Chiu
By: Herman Chiu - CFO

Dated: _____

AEGIS LAW FIRM, PC

Samuel Wong
Attorneys for Plaintiff

Dated: January 29, 2023

GONZALEZ WEERASURIYA, APC


Suren N. Weerasuriya
Attorneys for Defendant