

SETTLEMENT AGREEMENT

This Joint Stipulation of Class Action Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Derek Chatman (“Plaintiff”) and Defendant Community Loan Servicing, LLC (“Defendant”). Plaintiff and Defendant herein are referred collectively as the “Parties,” with each being referred to as a “Party.”

WHEREAS, on May 3, 2021, Plaintiff filed an action in the Superior Court of the State of California in and for the County of San Bernardino, styled *Derek Chatman, individually and on behalf of all others similarly situated, v. Community Loan Servicing, LLC; and Does 1 through 20, inclusive*, Case No. CIVSB2112939 (the “Class Action”), and alleging wage and hour claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay all wages due upon separation of employment; and (8) violation of Business & Professions Code §§ 17200 *et seq.*;

WHEREAS, on July 26, 2021, Plaintiff filed an action in the Superior Court of the State of California in and for the County of San Bernardino, styled *Derek Chatman, individually and on behalf of all others similarly situated, v. Community Loan Servicing, LLC; and Does 1 through 20, inclusive*, Case No. CIVSB2121766 (the “PAGA Action”), alleging claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), including claims for penalties under California Labor Code sections: 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 2800, 2802 and 2698 *et seq.*;

WHEREAS, below, Plaintiff agrees to consolidate his Class Action and PAGA Action into one single action for the purposes of this Settlement Agreement, (the Class Action and PAGA Action, hereinafter the “Action”);

WHEREAS, the Action involves the claims of approximately 32 current and former employees of Defendant. Defendant estimates these Class Members collectively worked a combined total of approximately 1,613 workweeks for Community Loan Servicing, LLC in California during the Class Period. Defendant estimates that PAGA Group Members (as defined below) worked approximately 690 pay periods during the PAGA period.

WHEREAS, the Parties desire to settle, compromise, and avoid litigation relating to the claims described in the pleadings in the Action, and have agreed to settle the Action by agreement, upon the terms and conditions and for the consideration set forth in this Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the Parties hereto as follows:

I. DEFINED TERMS

RELATING TO CLASS MEMBERSHIP AND INCLUSION IN PAGA COLLECTIVE:

1. “PAGA Group Members” means all current and former nonexempt employees employed by Defendant in California at any time during the PAGA Period.

2. “Class Members” means all individuals who have performed work at any time as a non-exempt employee assigned to one or more of Defendant’s California locations between May 3, 2017 and the date of preliminary approval.

3. “Class” is the group of people comprised of the Class Members.

4. “Class Period” means the period May 3, 2017 to the date of preliminary approval.

5. “PAGA Period” means the period of May 22, 2020 to the date of preliminary approval.

RELATING TO CLASS NOTICE:

6. “Class List” means the list of all Class Members that Defendant will compile from their records to accurately reflect the name, most recent mailing address as shown in Defendant’s records, telephone number, the Social Security number of Class Members as shown in Defendant’s records, and the number of pay periods each Class Member worked for Defendant, and will be formatted in a readable Microsoft Office Excel spreadsheet. The Class List shall not be provided to Plaintiff’s counsel. As of the execution of the Settlement Agreement, the Class List includes approximately 32 current and former employees of Defendant.

7. “Notice Packet” and “Notice” means the documents attached as Exhibit A.

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

RELATING TO CLASS PAYMENT:

9. “Settlement Member(s)” means Class Members who do not timely and properly Opt-Out of the settlement pursuant to the terms set forth herein.

10. “Gross Settlement Amount” means the maximum, non-reversionary total amount that Defendant shall pay in connection with this Agreement. The Gross Settlement Amount is the gross sum of One Hundred Fifty Thousand Dollars and zero cents \$150,000.00 and, in no event, more. The Gross Settlement Amount includes: (a) all Individual Class Member Awards; (b) the payment to the Labor Workforce Development Agency for its share of the PAGA Payment; (c) Class Representative Service Payment; (d) Class Counsel’s Attorneys’ Fees and Costs; and (e) Settlement Administration Costs to the Settlement Administrator. The Parties agree Defendant will have no obligation to pay any amount in connection with this Agreement apart from the Gross Settlement Amount, including the Defendant’s employer’s portion of payroll taxes on the Individual Class Member Awards, which shall come from within the Gross Settlement Amount.

11. The “Net Settlement Amount” means the Gross Settlement Amount less: (a) Class Representative Service Payment; (b) Class Counsel’s Attorneys’ Fees and Costs; (c) the payment to the Labor Workforce Development Agency for its share of the PAGA Payment; and (d) Settlement Administration Costs to the Settlement Administrator. The Net Settlement Fund will be distributed to Class Members consistent with the calculation method provided in Paragraph 37 below. The Parties acknowledge all these amounts are subject to the Court’s approval.

12. The “Net PAGA Amount” is 25% (\$2,500.00) of the total \$10,000.00 PAGA Payment not paid to the Labor Workforce Development Agency for those that worked for the Defendant in California during the PAGA Period.

13. “PAGA Group Members” means all Class Members employed by Defendant in California at any time between May 22, 2020 through to the date of preliminary approval (“PAGA Period”).

14. “PAGA Payment” means the amount of the Gross Settlement Amount allocated to settle all claims and remedies under the Private Attorneys’ General Act, California Labor Code section 2698, *et seq.* The PAGA Payment shall be \$10,000.00, of which 75%, or \$7,500.00 shall be paid to the Labor Workforce Development Agency out of the Gross Settlement. The remaining 25%, or \$2,500.00, shall be paid to PAGA Group Members out of the Net Settlement Amount based on the number of pay periods they respectively worked during the PAGA Period.

RELATING TO OTHER PAYMENTS:

15. “Class Counsel” means Samuel A. Wong, Kashif Haque, Jessica L. Campbell, and Fawn Bekam of Aegis Law Firm, PC, located at 9811 Irvine Center Drive, Suite 100, Irvine, CA 92618.

16. “Class Counsel’s Attorney Fees” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s fees incurred in investigation of the Action, litigation of the Action, resolution of the Action, administration of the Settlement, including fees incurred through final approval and disbursement of payments under this Settlement and obtaining entry of the Judgment terminating the Action, and which shall not exceed one-third of the Gross Settlement Amount (currently \$50,000.00). Defendant agrees not to challenge or oppose Class Counsel’s motion or application for attorneys’ fees up to that amount.

17. “Class Counsel’s Costs” means attorneys’ costs (including expert fees and associated costs) incurred by Class Counsel in the litigation and settlement of the Action and agreed upon by the Parties and approved by the Court, including, but not limited to, costs incurred in investigation of the Action, litigation of the Action, resolution of the Action, administration of the Settlement, including costs incurred through final approval and disbursement of payments under this Settlement and obtaining entry of the Judgment terminating the Action, and which shall not exceed \$10,000.00. Defendant agrees not to challenge or oppose Class Counsel’s motion or application for costs up to that amount.

18. “Class Representative Service Payment” means an amount that shall not exceed \$10,000.00 which may be paid upon court approval to Plaintiff Derek Chatman in recognition of his effort and work in prosecuting the Action on behalf of the Class Members in exchange for his general release of claims. Defendant agrees not to challenge or oppose Class Counsel’s motion or application for a Class Representative Service Payment up to the amount stated in this paragraph.

19. “Settlement Administrator” means Phoenix Settlement Administrators, Inc., a third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this settlement. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

20. “Settlement Administration Costs” or “Administrator Costs” or “Administration Costs” means the costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Settlement Member, distributing the Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested jointly by the Parties, and which shall not exceed \$7,250.00.

RELATING TO RELEASED CLAIMS AND RELEASED PARTIES:

21. “Class Member Release” means the following release of claims, which is given by each Settlement Member:

I, on behalf of myself and my former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby fully, forever, irrevocably, and unconditionally release and discharge for the time period of May 3, 2017 through to the date of preliminary approval, Community Loan Servicing, LLC, and their affiliated entities, related companies, predecessors, successors, direct and indirect parent companies, subsidiaries and insurers, and each of these entities’ present or past owners, officers, directors, employees, partners, members, principals, agents, insurers, co-insurers, re-insurers, shareholders, attorneys, personal or legal representatives,

assigns, and all persons acting by, through, under, or in concert with them (collectively each of these, including Defendant, is referred to hereinafter as the “Released Parties”), from any and all claims (including for wages, penalties, damages, liquidated damages, injunctive relief, equitable relief, or any other form of relief) that were alleged in the Action at any time (including in prior pleadings), including claims for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay all wages due upon separation of employment; (8) violation of Business & Professions Code §§ 17200 *et seq.*; and (9) claims under the Private Attorneys General Act of 2004, including claims for penalties under California Labor Code sections: 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 2800, 2802 and 2698 *et seq.*; and any claims that would have or could have arisen from the facts and circumstances alleged in any pleading in the Action concerning the named Plaintiff, the putative class in the Action (including any claims under the federal Fair Labor Standards Act (“FLSA”), the Industrial Welfare Commission Wage Orders, and common law claims based on the foregoing, including but not limited to, conversion), including any such facts that occurred on or before to the date of preliminary approval (“Released Claims”). Release of FLSA claims based on the same or similar facts alleged in the Action is a material term of this Agreement.

22. “PAGA Group Member Release” means the following release of claims, which is given by each Class Members who is a PAGA Group Member:

I, on behalf of myself and my former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby fully, forever, irrevocably, and unconditionally release and discharge for the time period of May 22, 2020 to the date of preliminary approval, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative complaint, the PAGA notice, or ascertained in the course of the Action, whether such claims were known or unknown to the PAGA Group Member, including claims for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods;

(4) failure to provide rest breaks; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay all wages due upon separation of employment; and (8) violation of Business & Professions Code §§ 17200 *et seq.*, including claims for PAGA penalties under California Labor Code sections: 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 2800, 2802 and 2698 *et seq.*

RELATING TO PRELIMINARY AND FINAL APPROVAL:

23. “Settlement Court” means the Superior Court of the State of California for the County of San Bernardino, and specifically the courtroom in which Case No. CIVSB2112939 is pending, or any other court and/or courtroom holding jurisdiction.

24. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

25. “Final Approval” means the Court order granting final approval of the Settlement Agreement.

26. “Effective Date” means (a) the 61st day after the Settlement Court enters an order granting final approval of the Settlement Agreement, provided that no timely appeal is taken of the order of final approval by a Settlement Member or any intervenor; and/or (b) if a timely appeal is filed by a Settlement Member or any intervenor, the date of resolution of such appeal, provided that that resolution does not in any way alter the terms of the Settlement.

II. ADDITIONAL TERMS

27. Preliminary Approval Hearing. Within twenty-one (21) calendar days of the execution of this Settlement Agreement, Plaintiff shall file a motion with the Settlement Court seeking an order in the form attached hereto as Exhibit B, and seeking among other things, an order that: (a) conditionally certifies the Class for settlement purposes only; (b) preliminary approves the proposed Settlement Agreement; (c) stays all non-settlement activity in the action; and (d) sets a date (but no sooner than 100 days after the filing of the preliminary approval motion) for a hearing concerning Final Approval of the Settlement Agreement. In conjunction with the Preliminary

Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include all attachments hereto. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval, though the parties will meet and confer on such materials and Class Counsel will submit the settlement approval papers to the Settlement Court, although if the Parties so agree, they may (but are not obligated to) submit those documents jointly. Defendant may, but is not obligated to, submit a separate brief in support of preliminary approval.

27. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator, which shall be used solely for the administration of this Settlement Agreement and for no other purpose and shall not be shared with any persons or entity not employed by the Settlement Administrator and working on the administration of this Settlement Agreement. To be clear, neither the Class List, nor any part of it, shall be shared with Plaintiff, Plaintiff's counsel, or any agent or employee thereof. If the Court does not finally approve the Settlement Agreement, or if the Court in any way alters or disapproves it, including on appeal, the Settlement Administrator shall not thereafter use the Class List, and shall destroy any and all copies or versions of it (including any in electronic form).

28. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail. Class Members will have sixty (60) days from the date of mailing in which to postmark objections, requests for exclusion, or disputes. Before the initial mailing, the Settlement Administrator will check all Class Member addresses against the National Change of Address database and shall update any addresses. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within five (5) business days of receiving notice that a Notice was undeliverable. If a Class Member's Notice is re-mailed, the Class Member shall have fifteen (15) calendar days from re-mailing, or sixty (60) calendar days from the date of the initial mailing, whichever is later, in which to postmark objections, requests for exclusion, or disputes. The Settlement Administrator will maintain a report of the date of such re-mailings of the Notice Packet. No additional mailings shall occur. Class Members shall not be required to submit claim forms to receive a proportional share of the Net Settlement Amount. Any Class Member who does not actually receive notice after the steps outlined above have been taken (and does not properly and

timely opt out as discussed below) will remain a Settlement Member, subject to the terms of this Settlement.

29. Opt Out Procedures. To Opt-Out from the Settlement, a Class Member must submit a written Request for Exclusion to the Settlement Administrator by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, and telephone number of the person requesting exclusion and a statement that they request exclusion from the settlement in *Derek Chatman v. Community Loan Servicing, LLC, et al.*, Case No. CIVSB2112939; (2) be signed by the Class Member; and (3) be postmarked by the Response Deadline and delivered to the Settlement Administrator at the specified address. Subject to review by Class Counsel, Counsel for Defendant and the Court, the date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used by the Settlement Administrator to determine whether a Class Member has timely requested exclusion from the Settlement. Any Class Member who timely and properly requests to be excluded from the Settlement shall not be entitled to any benefits under the Settlement and shall not be bound by the terms of the Settlement and shall not have any right to object to the Settlement or appeal from the entry of the Judgment, except that PAGA Group Members may not opt out of the PAGA Settlement. Class Members who do not submit a valid and timely Request for Exclusion as set forth above shall be bound by all terms of the Settlement and the Judgment entered in this Action if the Settlement is finally approved by the Court. Any PAGA Group Member who requests timely exclusion will still release their PAGA claims to the fullest extent permitted by law and shall still be sent his or her share of PAGA penalties.

30. Objections to the Settlement. A Settlement Member may object to the Settlement by filing a written objection with the Settlement Court using the case name and number of the Settlement Court (found on the first page of the Notice Packet), and mailing a copy of his/her written objection to Class Counsel, Counsel for Defendant, and the Settlement Administrator at the addresses listed in the Notice Packet, each postmarked by no later than the Response Deadline. A Settlement Member may also object to Class Counsel's request for Attorney's Fees. The objection should be signed, set forth the objecting Settlement Member's name, address and telephone number, and state why he/she objects to the proposed Settlement and whether he/she intends to appear at the Final Approval Hearing. The Settlement Administrator shall promptly and simultaneously forward to Class Counsel and Defendant's counsel all objections received. Settlement Members may also

appear at the final approval hearing to object. Any Settlement Member who does not object in the manner described in the Notice shall be deemed to have waived any objections and shall be foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the requested Class Counsel's Attorney Fees, Class Counsel's Costs and Class Representative Service Payment, the Release, and any other provision of this Settlement.

31. Disputes. If any Settlement Member or PAGA Group Member disagrees with Defendant's records as to his or her number of workweeks worked in the Class Period or number of pay periods worked during the PAGA Period as reflected in the Notice, the Class Member shall set forth in writing the number of workweeks or pay periods he/she claims to have worked and submit such writing to the Settlement Administrator by the Response Deadline, along with any supporting documentation. The Notice will also provide a method for the Settlement Member or PAGA Group Member to challenge the employment data on which his or her Individual Settlement Payment is based. The Settlement Administrator shall contact the Parties regarding the dispute and the Parties and the Settlement Administrator will work in good faith to resolve it. If the Parties and the Settlement Administrator do not resolve the dispute, the Court will be the final arbiter of the number of workweeks or number of pay periods for each Settlement Member or PAGA Group Member during the Class Period and/or PAGA Period, respectively, based on information provided to it.

32. The Parties believe that compliance with the procedures described in paragraphs 27 through 31 above and in the Notice will constitute due and sufficient notice to Class Members of this Settlement.

33. Certification Reports Regarding Individual Settlement Payment Calculations. No later than twenty (20) court days before the Final Settlement Approval Hearing, the Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration attesting to the validity of the notice process, including all attempts to obtain valid mailing addresses for and re-mailing of any returned Notices, as well as the number of valid requests for exclusion, objections, and disputes that the Settlement Administrator received.

34. Final Settlement Approval Hearing and Entry of Judgment / Motion for Fees, Etc. Within twenty-eight (28) calendar days after expiry of the Response Deadline, Plaintiff will submit a Motion for Final Approval/Settlement Fairness Hearing. The Motion for Final Approval will also

request an award of Class Counsel's Attorneys' Fees, Costs, and Class Representative Service Payment. Class Counsel will be responsible for drafting all documents necessary to obtain final approval, and Class Counsel will submit the settlement approval papers to the Settlement Court although if the Parties so agree, they may (but are not obligated to) submit those documents jointly. Defendant may, in its sole discretion, file a separate brief in support of final approval. The hearing on these motions shall be as specified in the Preliminary Approval Order or, if no such date is specified, at the earliest available date on the Settlement Court's calendar, provided, however, that in no event shall the hearing take place earlier than 100 calendar days after the filing of the Preliminary Approval Motion.

35. Notice to the Labor and Workforce Development Agency. Plaintiff shall be responsible for timely providing all notices to the Labor and Workforce Development Agency and providing Defendant's counsel confirmation of same, including submission of the proposed settlement contemporaneously with the filing of the motion for preliminary approval, under California Labor Code § 2699(l)(2), and submission of any judgment within 10 days after entry of same, under California Labor Code § 2699(l)(3).

36. Judgment and Continued Jurisdiction. Upon Final Approval by the Settlement Court or in conjunction with or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Settlement Judgment (which will expressly note that no liability has been found, and there is no admission of wrongdoing) to the Court for its approval. After entry of the Settlement Judgment, the Court will have continuing and exclusive jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

37. Allocation of Net Settlement Amount to Calculate the Class Members' Final Settlement Awards. The Net Settlement Amount shall be allocated among Class Members by reference to the number of workweeks Class Members physically worked during the Class Period. The total number of workweeks physically worked by all Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount minus the Net PAGA Amount to reach a per-pay period dollar figure. That figure will then be multiplied by each Class Member's number of workweeks

worked to determine the Class Member's *pro rata* Class portion of the Net Settlement Amount (the "Individual Class Payment"). If a Class Member also worked during the PAGA Period s/he will receive a *pro rata* portion of the Net PAGA Amount based on the number of pay periods that s/he physically worked for the Defendant in California during the PAGA Period. The Individual Class Payment will be the "Individual Class Member Award." 20% of each Individual Class Payment shall, for tax purposes, be designated as wages and shall be reported using a Form W-2, and 80% of each Individual Class Payment and all of Individual PAGA Payment shall, for tax, purposes be designated as non-wages and shall be reported using a Form 1099. The Individual Class Member Awards and allocation as discussed immediately above and below shall be calculated by the Settlement Administrator within fifteen (15) calendar days of the Effective Date and the Settlement Administrator shall provide Defendant's and Class Counsel with the final Individual Class Member Award calculations on this same day. If the number of workweeks in the Class Period exceeds 1,613 by more than 10% (which is more than 1,774 workweeks), there will be a *pro rata* adjustment to the Gross Settlement Amount as follows: \$85.23 per additional workweek over the 10% mark. For example, if the total workweeks is 11% higher (or 1,790 workweeks), the Gross Settlement Amount shall be increased by \$1,363.68 (1,790 workweeks, less 1,774 workweeks = 16 workweeks; 16 workweeks x \$85.23 = \$1,363.68). Alternatively, Defendant may elect to shorten the Class Period to the date on which the 110% threshold was reached.

38. Allocation of Net PAGA Amount to Calculate the PAGA Group Member Employees' PAGA Awards. The Net PAGA Amount shall be allocated among applicable PAGA Group Members by reference to the number of pay periods they physically worked during the PAGA Period. The total number of pay periods worked by all PAGA Group Members during the PAGA period will be added together and the resulting sum will be divided into the Net PAGA Amount, to reach a per-pay period dollar figure. That figure will then be multiplied by each PAGA Group Members' number of PAGA pay periods physically worked to determine the PAGA Group Member's *pro rata* PAGA portion of the Net PAGA Amount (the "Individual PAGA Payment"). Because the Individual PAGA Payments are comprised entirely of penalties, they shall be reported using a form 1099 and combined with the penalties from each Class Members Individual Class Payment.

39. Funding the Settlement. Within fourteen (14) calendar days of the Effective Date, Defendant shall provide the Settlement Administrator via wire transfer the funds equal to the Settlement Amount.

40. Distribution of Payments. Within ten (10) calendar days after Defendant transfers funds equal to the Settlement Amount to the Settlement Administrator, the Settlement Administrator shall distribute:

a. to Class Counsel – Class Counsel’s Attorney Fees, if any, awarded by the Court and the Class Counsel’s Costs, if any, awarded by the Court, all of which shall be reported using a Form 1099;

b. to Plaintiff Derek Chatman – the Class Representative Service Payment, if any, awarded by the Court which shall be reported using a Form 1099;

c. to the LWDA – \$7,500.00 representing its share of the Settlement Amount allocated to the settlement of PAGA claims;

d. to each Settlement Member his or her Individual Settlement Member Total Recovery with appropriate tax forms as described herein, directly and without submission of a claim form or application (the back of each check shall include the language, “I understand and agree that I am releasing any and all claims described in the Notice of Class Action Settlement for Case No. CIVSB2112939, which I received and read, and that by cashing this check I am consenting to participate in the settlement and to the release of all claims I may have under the FLSA related to or that arise out of the facts asserted in this Action”);

e. to the Settlement Administrator - Administrative Costs incurred and approved up to \$7,250.00.

41. Administration of Tax Forms. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Members, the LWDA, the Settlement Administrator, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement, and for forwarding all payroll taxes and penalties to the appropriate government authorities.

42. Tax Allocation. For tax reporting purposes, any payments made to Settlement Members (excluding Class Representative Service Payments and PAGA payments) shall be allocated as follows: (a) 20% as wages; and (b) 80% as non-wages. All other payments made pursuant to this Agreement shall be deemed non-wages, and will be reported using an IRS Form 1099.

43. Tax Liability. Defendant and their counsel and Plaintiff and Class Counsel make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard. Plaintiff and Class Members understand and agree that they each will be solely responsible for the payment of any taxes and penalties assessed on their share of the payments described herein and will hold Defendant, their counsel, Plaintiff and Class Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Each party to this Settlement (for purposes of this section, the “Acknowledging Party” and each party to this agreement other than the Acknowledging Party, an “other Party”) acknowledges and agrees that: (1) no provision of this Settlement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the Acknowledging Party: (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Settlement; (b) has not entered into this Settlement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this agreement.

44. Uncashed Settlement Checks. Settlement Members will have 180 calendar days within which to negotiate (cash or deposit) their settlement checks from the date on which they are

mailed. If any settlement check is not negotiated within that period of time, it will be voided. If any settlement check is returned to the Settlement Administrator within 160 calendar days of mailing and a forwarding address is provided within that time period, the Settlement Administrator shall re-mail the settlement check to the forwarded address and notify the Settlement Class Member of the deadline to cash the check to avoid it being voided. For any settlement checks deemed void as a result of being uncashed for more than 180 days, the Settlement Administrator will disburse the uncashed funds to the State Controller Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

45. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

46. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

47. Separate Release of Claims & Rights by Plaintiff Derek Chatman. Plaintiff and the Released Parties hereby agree to the additional following mutual General Release in exchange for the consideration provided herein: As of the Effective Date, and in consideration of the Parties' promises and agreements as set forth herein, Plaintiff and the Released Parties hereby fully release each other from any and all Released Claims and the PAGA Group Member Release, and also generally release and discharge each other from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted at any time before the Parties' execution (signature) of this Agreement against each other arising out of any occurrence or failure to act, including but not limited to claims for wages, restitution, penalties, interest, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement Agreement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described

herein. Specifically, the Parties waive all rights and benefits afforded by California Civil Code Section 1542, which provides:

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.

Plaintiff acknowledges and agrees that all claims for wage and hour and payroll practice violations in the Action are disputed, and that payment under the Settlement constitute payment in full of any and all amounts allegedly due to him. Plaintiff acknowledges and agrees that California Labor Code section 206.5 is not applicable. That section provides in pertinent part:

An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.

48. Revocation of Settlement Agreement (by Defendant). Defendant shall have, in its sole discretion, the right to void and withdraw from the Settlement Agreement if, as of the Response Deadline, ten percent (10%) or more of the Class Members submit timely and valid Election to Opt-Out Forms. Defendant must exercise this right of rescission, in writing, to Class Counsel within fourteen (14) calendar days of receipt of the report from the Settlement Administrator referenced in the first sentence of paragraph 33 (“Certification Reports Regarding Individual Settlement Payment Calculations”). If the option to rescind is exercised, then Defendant will be solely responsible for all settlement administration costs incurred to that point.

49. Nullification of Settlement Agreement. If: (a) the Settlement Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

50. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

51. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements with respect to the subject matter hereof may be deemed binding on the Parties.

52. Amendment or Modification. This Settlement Agreement may be amended or modified only by a formal written instrument signed by counsel for all Parties or their successors-in-interest.

53. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement.

54. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

55. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

56. Execution and Counterparts. This Settlement Agreement is subject to execution by all Parties, which may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts if requested by one Party. A signature through Adobesign or DocuSign, facsimile, electronic means, or scan shall for purposes of this Settlement Agreement be as valid and enforceable as an original signature.

57. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe, and will so represent to the Court, that this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

58. Waiver of Certain Appeals. In the event of Final Approval, the Parties agree to waive appeals concerning this Settlement and to stipulate to class certification for purposes of this Settlement only. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings.

59. Class Action Certification for Settlement Purposes Only. The Parties stipulate to class action certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to class certification is void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified; or (b) Defendant is liable to Plaintiff or any Class Member, other than according to the Settlement's terms. Defendant denies liability on all claims made in the Action.

60. Captions. The captions and section numbers in this Settlement 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 Settlement Agreement.

61. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

62. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will 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 Settlement Agreement.

63. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith in drafting and executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement and obtain final approval of the Settlement. Should the Settlement Court decline to preliminarily approve or finally approve aspects of the Settlement, the Parties shall work together in good faith to address any concerns raised by the Settlement Court, with good faith intention to propose a revised Settlement for the Settlement Court's approval. Further, the Parties shall work together in good faith to address any concerns raised by the LWDA.

64. Limitation on Communications With the Class: The Parties recognize the fact of settlement of this matter is non-confidential, as notice of the settlement will be mailed to Class Members and the filings and approval process are a matter of public record. Notwithstanding, the Parties and their counsel agree not to issue any press release or make any other public representation regarding the Settlement, including posting any information pertaining to this Settlement on social media (Instagram, Facebook, Twitter, LinkedIn, YouTube, Google+, Tumblr, etc.), or on Class Counsel's website. Nothing in this paragraph is intended to limit or limits Class Counsel's ability to: (i) communicate with Class Members who contact Plaintiff's counsel; (ii) reference this case and settlement in declarations submitted to Court's concerning Class Counsel's adequacy; and (iii) generally refer to the settlement, type of industry and claims, and the amount of the settlement but without reference to the name of Plaintiff or case number of the Action.

65. Binding Agreement. The Parties warrant they understand and have full authority to enter into this Settlement, and further intend this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any confidentiality provisions that otherwise might apply under federal or state law.

It is hereby agreed:

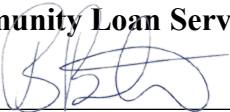
Derek Chatman

derek chatman
derek chatman (Jan 16, 2024 12:13 PST)

Derek Chatman

Date: 1/16/2024,

Community Loan Servicing, LLC



By: Brian Bomstein
Its: Senior Vice President

Date: 1/26/2024,

Approved as to form:

Aegis Law Firm, PC



By: Samuel A. Wong,
Attorneys for Plaintiff and the Settlement Class

Date: 01/16/2024,

Greenberg Traurig, LLP



By: Ryan C. Bykerk
Attorney for Defendant Community Loan
Servicing, LLC

Date: 1/26/2024

EXHIBIT A

(Notice of Class Action Settlement)

Notice of Class Action Settlement

This is an Official Court Notice of a Proposed Settlement in the following lawsuit:
Derek Chatman v. Community Loan Servicing, LLC and Does 1-20, Inclusive, Superior
Court of the State of California in and for the County of San Bernardino, Case No.
CIVSB2112939

Name

Correction to Address Needed?

Address

Contact the Settlement Administrator.

ELIGIBLE CLASS MEMBERS ARE HEREBY NOTIFIED AS FOLLOWS:

A proposed settlement (the “Settlement”) has been reached in the above-referenced class action lawsuit currently pending in the Superior Court of the State of California, County of San Bernardino (the “Action”). Because this Settlement may affect your rights, it is important you read this Notice carefully.

Records show you were an employee of Community Loan Servicing, LLC (“Community”) and were assigned to work in California at one of Community’s locations at some point during the period May 3, 2017, 2016 to December 1, 2023. As a result, you are entitled to participate in the settlement discussed in this notice and receive a settlement payment. Based on information contained in Community’s records, you worked [insert number] weeks during May 3, 2017 to December 1, 2023 and thus are eligible to receive a settlement payment in the gross estimated amount of \$[insert amount] less applicable payroll taxes.

As explained in more detail below, ***you do not need to take any action to participate in the Settlement and receive a settlement payment***, but you do have the option of requesting to be excluded from the Settlement, which is referred to as “opting out.” If you do not timely opt-out, you will receive settlement funds and be bound by the release of any claims described in this Notice.

A. PURPOSE OF THIS NOTICE

The Court has certified for settlement purposes only the following class (the “Class”): all individuals who were assigned to perform work as a non-exempt employee at one or more of Community’s California locations and who were hired directly by Community at any point between May 3, 2017 and [insert date of preliminary approval] (the “Class Period”).

You are getting this notice because Community’s records indicate that you are a Class Member—i.e., you performed worked as a non-exempt employee assigned to one or more of Community’s California locations during the relevant timeframe. This Notice is intended to inform you of the class action settlement and your options (*i.e.*, participating or opting out).

B. DESCRIPTION OF THE ACTION

Plaintiff alleged that Community's compensation system for Class Members failed to comply with law and that, as to these individuals, Community failed to pay minimum wages, failed to pay overtime wages, failed to provide meal periods, failed to provide rest breaks, failed to reimburse business expenses, failed to provide accurate itemized wage statements, failed to pay all wages due upon separation of employment, and violated Business & Professions Code §§ 17200 et seq. Plaintiff also pursues these claims under the Labor Code Private Attorney General Act ("PAGA"). Plaintiff claims Community owes the Class Members wages, penalties, restitution, disgorgement, equitable relief, injunctive relief, liquidated damages, interest, plus attorneys' fees and court costs. Community disputes these allegations and believe they complied with the law. This dispute is referred to as the "Action."

The parties engaged in significant efforts to obtain facts regarding the claims asserted, including the exchange of detailed statistical data regarding Plaintiff and the individuals Plaintiff intend to represent and the production of policy and procedure documents. The parties disagree as to the probable outcome of the Action with respect to liability and damages if the Action were not settled. Although Plaintiff and Community are prepared to proceed with litigating the Action, each side recognizes that litigating is risky and costly and that each may not prevail on any or all claims.

This Settlement is the result of good-faith and arm's-length negotiations between the Plaintiff and Community. Each side agrees that given the risks and expense associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and is in the best interests of the Class Members.

Please be advised that the Court has not ruled on the merits of the Plaintiff's claims or Community's defenses (which means the court has not made any determination of who is right or wrong).

On [date of preliminary approval] the Court preliminarily approved the proposed Settlement of the Action. The Court will decide whether to finally approve the proposed Settlement at a hearing scheduled for [INSERT DATE]. ("Final Approval Hearing"). See below for details. The date of the Final Approval Hearing is subject to change.

C. SUMMARY OF TERMS OF THE PROPOSED SETTLEMENT

Subject to the Court's approval, the terms of the Settlement are as follows:

1. The settlement amount is \$150,000 (the "Settlement Amount") from which Community will pay: (a) a minimum of \$62,750.00 for payment to Settlement Members, of which 20% shall for tax purposes be deemed wages subject to Form W-2 reporting, and 80% shall for tax purposes be deemed non-wages; (b) a maximum of \$____ (1/3rd of the Settlement Amount) for the payment of Class Counsel's Attorney Fees plus litigation costs up to \$10,000.00; (c) \$7,500.00 to the State of California for its share of the Settlement Amount allocated for settlement of the PAGA claims; (e) a maximum of \$10,000.00 for the payment of a Class Representative Service Payment to the named Plaintiff for his service to the Class in bringing the case on behalf of the Class; and (f) a maximum of \$7,250.00 for Settlement Administration Costs. The Settlement Amount shall include

employer payroll taxes due upon payment of the 20% allocated to wages payable to Settlement Class Members. If the maximum sums stated in subsections (b)-(e) are not approved and awarded by the Court, the unapproved and awarded sums shall be added to the Class Recovery (subsection (a)). No amount shall revert to Community. The amount set forth above in subsection (a) is referred to herein as the “Class Recovery.”

2. The Class Recovery will be allocated among Class Members who do not opt-out of this Settlement based upon calculations made using Community’s records. Specifically, a participating Class Member’s share of the Net Settlement, minus \$2,500.00 allocated for individual PAGA payments, will be calculated by reference to the number of work weeks all Class Members physically worked during the Class Period. The total number of workweeks physically worked by all Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount minus the Net PAGA Amount to reach a per-pay period dollar figure. That figure will then be multiplied by each Class Member’s number of workweeks worked to determine the Class Member’s pro rata Class portion of the Net Settlement Amount (the “Individual Class Payment”). If a Class Member also worked during the PAGA Period s/he will receive a pro rata portion of the Net PAGA Amount based on the number of pay periods that s/he physically worked for the Defendant in California during the PAGA Period. The Individual Class Payment will be the “Individual Class Member Award.” As discussed above, 20% of each Individual Class Member’s Recovery shall for tax purposes be designated as wages and shall be reported using a Form W-2, and 80% of each Individual Class Member’s Recovery shall for tax purposes be designated as non-wages and shall be reported using a Form 1099. Class Members who worked during the PAGA Period will also receive a *pro-rata* share of the \$2,500 PAGA payment based on the number of pay periods worked during the PAGA period (the “Individual PAGA Member Recovery”). Each Class Member’s Individual PAGA Member Recovery, if applicable, will be included in their Individual Class Member’s Recovery payment and shall be designated as non-wages and shall be included in the Form 1099 reporting.

3. Based on the foregoing methodology, your estimated Class Member Recovery is shown on page 1 of this Notice. PLEASE NOTE that your Final Individual Settlement Member Total Recovery may be more or less than the stated above after accounting for all sums payable from the Settlement Amount.

4. Each Class Member who does not request exclusion from the Settlement in accordance with Paragraph E below consents to the following release (“Release”):

I hereby fully, forever, irrevocably, and unconditionally release and discharge for the time period of May 3, 2017 through [insert date of preliminary approval], Community Loan Servicing, LLC, and their affiliated entities, related companies, predecessors, successors, direct and indirect parent companies, subsidiaries and insurers, and each of these entities’ present or past owners, officers, directors, employees, partners, members, principals, agents, insurers, co-insurers, re-insurers, shareholders, attorneys, personal or legal representatives, assigns, and all persons acting by, through, under, or in concert with them (collectively each of these, including Defendant, is referred to hereinafter as the “Released Parties”), from any and all claims (including for wages, penalties, damages, liquidated damages, injunctive relief, equitable relief, or any other

form of relief) that were alleged in the Action at any time (including in prior pleadings), including claims for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay all wages due upon separation of employment; (8) violation of Business & Professions Code §§ 17200 *et seq.*; and (9) claims under the Private Attorneys General Act of 2004, including claims for penalties under California Labor Code sections: 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 2800, 2802 and 2698 *et seq.*; and any claims that would have or could have arisen from the facts and circumstances alleged in any pleading in the Action concerning the named Plaintiff, the putative class in the Action (including any claim under the federal Fair Labor Standards Act (“FLSA”), the Industrial Welfare Commission Wage Orders, and common law claims based on the foregoing, including but not limited to, conversion), including any such facts that occurred on or before [insert date of preliminary approval] (“Released Claims”). Release of FLSA claims based on the same or similar facts alleged in the Action is a material term of this Agreement.

D. TO PARTICIPATE IN THE SETTLEMENT

To participate in the Settlement, you do not need to take any further action. Upon final approval from the Court, you will receive a settlement check for an amount as described in paragraph C, above.

E. TO OPT-OUT OF THE SETTLEMENT

If you do not want to participate in the Settlement, you must submit a written Request for Exclusion to the Settlement Administrator with a postmark date on or before [INSERT DATE]. The Request for Exclusion must be mailed to the following address: [insert settlement administrator address]. The Request for Exclusion must: (1) contain the name, address, and telephone number of the person requesting exclusion and a statement that they request exclusion from the settlement in *Derek Chatman v. Community Loan Servicing, LLC, et al., Case No. CIVSB2112939*; (2) be signed by the Class Member; and (3) be postmarked by the Response Deadline and delivered to the Settlement Administrator at the specified address. If you properly opt-out of the Settlement, you will not be eligible to receive any Settlement benefits including a settlement payment. You will, however, retain whatever legal rights you may have against Community with regard to the claims set forth in the Release above (except for claims under PAGA, which are released and from which release PAGA members cannot opt out by law).

F. TO OBJECT TO THE SETTLEMENT

If you do not request exclusion from the Settlement but believe the proposed Settlement is unfair or inadequate in any respect, you may object to the Settlement by submitting a written objection to the Court and mailing a copy of your objection to Class Counsel, and the Settlement Administrator at the addresses listed in this Notice. All written objections and supporting papers must: (i) clearly identify the case name and number (*Derek Chatman v. Community Loan Servicing, LLC, et al., Case No. CIVSB2112939*); (ii) be submitted to the Court either by mailing them to the Superior Court of California - County of San Bernardino, 351 N Arrowhead Ave, San Bernardino, CA 92415, or by

filing them in person at the Superior Court of California - County of San Bernardino; and (iii) be filed or postmarked on or before [INSERT DATE].

Class Counsel's application for fees, which are estimated to be \$50,000 at this time, will be filed with the Court on or before [INSERT DATE]. You may access that document any time after that date through the Superior Court of California - County of San Bernardino's website which can be accessed by logging in at < <https://cap.sb-court.org/search> > and typing in the case number in the field displayed on that page. If you believe you have a basis to object to the fee application, you may do so by submitting a written objection to the Court and mailing a copy of your objection to Class Counsel and the Settlement Administrator at the addresses listed in this Notice. All written objections and supporting papers must: (i) clearly identify the case name and number (*Derek Chatman v. Community Loan Servicing, LLC, et al., Case No. CIVSB2112939*); (ii) be submitted to the Court either by mailing them to the Superior Court of California - County of San Bernardino, 351 N Arrowhead Ave, San Bernardino, CA 92415, or by filing them in person at the Superior Court of California - County of San Bernardino; and (iii) be filed or postmarked on or before [INSERT DATE].

All objections must be signed and set forth your name, mailing address, and telephone number, and clearly state and explain why you object to the proposed Settlement or to the requested attorney's fees and whether you or someone on your behalf intends to appear at the Final Approval Hearing. You may also appear, at your own expense, at the Final Approval Hearing, discussed below. You are also entitled to enter an appearance in this action through an attorney, at your own expense, if you so desire.

You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue; if that is what you want to happen, you can object.

Any Class Member who does not object in the manner described above shall be deemed to have waived any objections and shall forever be foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the payment of attorneys' fees, litigation costs, the Class Representative Service Payment, and any other aspects of the Settlement.

G. TO DISPUTE YOUR PAYMENT AMOUNT

If you believe your number of workweeks worked during the Class Period and/or number of pay periods worked during the PAGA Period shown above is wrong, you may contact the Settlement Administrator indicating what you believe is correct no later than [INSERT DATE]. You should send any documents or other information that supports your belief that the numbers set forth above are incorrect. The Settlement Administrator will attempt to resolve any dispute based upon Community's records and any information you provide. Any dispute not resolved by the Settlement Administrator will be resolved by the Court.

H. TAXES

For tax reporting purposes, any payments made to Settlement Members (excluding Class Representative Service Payment) shall be allocated as follows: (a) 20% as wages; and (b) 805% as non-wages. All other payments made pursuant to this Agreement shall be deemed non-wages, and will be reported using an IRS Form 1099. If you have any questions regarding the tax treatment of any payments pursuant to the Settlement, you should consult your own tax advisor at your own expense. Neither Community nor Plaintiff, nor their attorneys, make any representation as to the tax treatment or legal effect of the payments called for hereunder, and cannot and do not provide you tax advice in this regard.

I. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the administrative costs, and the Class Representative Service Payment on [INSERT DATE AND TIME] in Dept S26 of the Superior Court of California - County of San Bernardino, 241 West Third Street, San Bernardino, CA 92415. The Final Approval Hearing is subject to change.

J. ADDITIONAL INFORMATION

It is important for the parties to have your current address to be able to send you other mailings regarding the Action. You should contact the Settlement Administrator to report any change of your address after you receive this Notice.

This Notice only summarizes the Action, the Settlement, and other related matters. Please do not contact the Court or the Court Clerk about this notice. For additional information, you may access the publicly available information regarding this lawsuit. That information is available online at < <https://cap.sb-court.org/search>>, or at the office of the clerk of the Superior Court of California - County of San Bernardino, 351 N Arrowhead Ave, San Bernardino, CA 92415. You may also contact the Settlement Administrator at:

NAME OF ADMINISTRATOR
ADDRESS
TOLL-FREE PHONE NUMBER; FAX
E-MAIL ADDRESS

The attorney for the class ("Class Counsel") is:

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Fawn F. Bekam
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Phone: (949) 379-6250

Email: fbekam@aegislawfirm.com

The attorneys for Community (“Counsel for Community”) are:

Ryan C. Bykerk (bykerkr@gtlaw.com)
Greenberg Traurig, LLP
1840 Century Park East, Suite 1900
Los Angeles, California 90067
Phone: (310) 586-7700; Fax: (310) 586-7800

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.

***THIS NOTICE IS NOT A RECOMMENDATION BY THE COURT AS TO ANY
ACTION YOU SHOULD OR SHOULD NOT TAKE.***

******THIS IS NOT AN ADVERTISEMENT FROM A LAWYER******

EXHIBIT B

(Proposed Order)

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9
10 **COUNTY OF SAN BERNARDINO**

11
12 DEREK CHATMAN, individually and on
behalf of all others similarly situated,

13 Plaintiffs,

14 v.

15 COMMUNITY LOAN SERVICING, LLC;
16 and DOES 1 through 20, inclusive,

17 Defendants.
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CASE NO. CIV SB 2112939

Assigned for all purposes to Hon. Jessica Morgan;
Department S-26

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT, APPROVING
NOTICE, AND SETTING DATE FOR FINAL
APPROVAL HEARING**

*[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT,
APPROVING NOTICE, AND SETTING DATE FOR FINAL APPROVAL HEARING*

1 The Motion for Preliminary Approval of Class Action Settlement (“Motion”) filed by
2 Plaintiff Derek Chatman and Defendant Community Loan Servicing, LLC (Plaintiff and
3 Defendant are collectively, the “Parties”), came on regularly for hearing before this Court on
4 , 2024. After consideration of all the papers filed in connection therewith, the
5 arguments of counsel, and all other matters presented to the Court, the Court hereby makes a
6 preliminary finding that the proposed class action settlement is fair, reasonable, adequate and in
7 the best interests of the settlement class. Good cause appearing therefore, the Court **GRANTS** the
8 Joint Motion and **ORDERS** as follows:

9 1. The terms of the settlement agreement reached by Plaintiff and Defendant, as set
10 forth in the Settlement Agreement filed by the Parties on , 2023, are hereby
11 preliminarily approved as being fair, reasonable and adequate to the members of the Settlement
12 Class (defined in paragraph 2, below), subject to further consideration at the final approval
13 hearing after the distribution of the settlement notice to the members of the Settlement Class as
14 provided in paragraph 6 of this Order.

15 2. The Court hereby grants conditional certification of the following Settlement Class
16 for settlement purposes only: all individuals who performed work at any time as a non-exempt
17 employee assigned to one or more of Community’s California locations between May 3, 2017 and
18 the date of this Order.

19 3. Samuel A. Wong of Aegis Law Firm, PC is appointed counsel for the Class
20 (“Class Counsel”).

21 4. Plaintiff Derek Chatman is appointed representative of the Class (“Class
22 Representative”).

23 5. Phoenix Settlement Administrators, Inc. is appointed the Settlement Administrator.

24 6. The form of the “Notice of Class Action Settlement” (“Notice”) attached as
25 Exhibit A to the Parties’ Settlement Agreement is approved and the Court directs the Parties and
26 Settlement Administrator to carry out its obligations under this Order and the Settlement
27 Agreement.
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1 7. The Court authorizes mailing of the Notice to the Class Members by first-class
2 United States mail to their last known addresses. Defendant shall provide the Settlement
3 Administrator with the information necessary to conduct this mailing as set forth in the Settlement
4 Agreement within fourteen (14) calendar days of [the Preliminary Approval Date].

5 8. A hearing to consider and determine: (i) whether the Settlement Agreement should
6 be finally approved; (ii) whether Class Counsel's application for attorneys' fees and costs should
7 be approved; and (iii) whether the application for a Class Representative Service Payment should
8 be approved, is hereby set for _____, 2024 at _:_ a.m. [not sooner than 100 days
9 after preliminary approval]. All other deadlines in the Action are hereby stayed pending the final
10 approval hearing.

11 **IT IS SO ORDERED.**

12
13 Dated: _____

Hon. Jessica Morgan

692812333_ACTIVE_1_691862896_ACTIVE_1_Chatman Final Agreement

Final Audit Report

2024-01-16

Created:	2024-01-16
By:	Fawn Bekam (fbekam@aegislawfirm.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA9Iujfg5I7bLc_0u-dcYGu-ffOU110bBb

"692812333_ACTIVE_1_691862896_ACTIVE_1_Chatman Final Agreement" History

-  Document created by Fawn Bekam (fbekam@aegislawfirm.com)
2024-01-16 - 6:32:38 PM GMT
-  Document emailed to dchatman1960@gmail.com for signature
2024-01-16 - 6:34:38 PM GMT
-  Email viewed by dchatman1960@gmail.com
2024-01-16 - 8:01:49 PM GMT
-  Signer dchatman1960@gmail.com entered name at signing as derek chatman
2024-01-16 - 8:13:47 PM GMT
-  Document e-signed by derek chatman (dchatman1960@gmail.com)
Signature Date: 2024-01-16 - 8:13:49 PM GMT - Time Source: server
-  Agreement completed.
2024-01-16 - 8:13:49 PM GMT