PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Anthem Aether ("Plaintiff") and Defendant Sovereign Lending Group, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties" or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's representative PAGA lawsuit alleging wage and hour violations against Defendant captioned *Anthem Aether v. Sovereign Lending Group, Inc..*, initiated on July 8, 2021, and pending in the Superior Court of the State of California, County of Orange (Case No. 30-2021-01209455-CU-OE-CXC).

1.2. "Administrator" means Simpluris, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means all persons who are employed or were employed by Defendant as hourly, non-exempt employees during the PAGA Period.

1.5. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.6. "Aggrieved Employee Data" means Aggrieved Employees' identifying information in Defendant's possession, including the Aggrieved Employees' name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.7. "Approval Order" means the proposed Court Order Granting Approval of this Settlement .

1.8. "Court" means the Superior Court of California, County of Orange.

1.9. "Defendant" means Sovereign Lending Group, Inc.., the named defendant in the Action.

1.10. "Defense Counsel" means Jackson Lewis P.C.

1.11. "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Approval Order, and (b) issued a Judgment in the Action. The Parties agree that there is no right to opt-out or object to a PAGA settlement. It is therefore the Parties' intention that the Settlement shall be final at the time the Court approves the Settlement and enters Judgment.

1.12. "Gross Settlement Amount" means one hundred twenty-five thousand dollars and no cents

($125,000.00), which is the maximum total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be paid by Defendant in full satisfaction of all PAGA claims arising in the Action, including but not limited to amounts used to pay the Individual PAGA Payments; the LWDA PAGA Payment; the PAGA Counsel Fees Payment; the PAGA Counsel Litigation Expenses Payment; and the Administrator's Expenses Payment.

1.13. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.14. "Judgment" means the judgment entered by the Court based upon the Approval Order.

1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to 75% of the PAGA Penalties recovered by Aggrieved Employees under Labor Code Section 2699, subd. (i).

1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code Section 2699, subd. (i).

1.17. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Counsel Fees Payment; the PAGA Counsel Litigation Expenses Payment; and the Administrator's Expenses Payment. The entire Net Settlement Amount will be allocated to Aggrieved Employees as Individual PAGA Payments and the LWDA PAGA Payment.

1.18. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*). All references to provisions under this statute as contained in this Agreement are provisions that were in effect prior to the amendment by Stats. 2024, Ch. 44, Sec. 1. (AB 2288).

1.19. "PAGA Counsel" means Moon Law Group, P.C., the attorneys representing Plaintiff in the Action.

1.20. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.21. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.22. "PAGA Period" means the period from July 2, 2020 to December 2, 2024 or the date the Court approves the settlement, whichever is earlier.

1.23. "PAGA Notice" means Plaintiff's July 2, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code Section 2699.3, subd. (a).

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

1.25. "PAGA Representative Claims" means Plaintiff's PAGA claims under California Labor Code §§ 2689, *et seq.* and 2699, *et seq.* based on alleged predicate violations in the First Amended Complaint and PAGA Notice.

1.26. "Pay Period" means any pay period during which an Aggrieved Employee worked at least one day of the pay period and was not on vacation or a leave of absence for the entire pay period.

1.27. "Plaintiff" means Anthem Aether, the named plaintiff in the Action.

1.28. "Released PAGA Claims" means the claims being released by Plaintiff and Aggrieved Employees as described in Paragraph 5 below.

1.29. "Released Parties" means Defendant and any of its former, present, and future parents, affiliates, subsidiaries, predecessors, successors, and assigns, and each of their directors, officers, board members, shareholders, trustees, owners, members, employees, agents, attorneys, insurers, auditors, accountants, and other persons acting on their behalf.

1.30. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1. On July 8, 2021, Plaintiff commenced this Action by filing a class action complaint alleging various wage and hour violations. On October 1, 2021, Plaintiff filed a First Amended Representative Action Complaint dismissing Plaintiff's class allegations and alleging a single cause of action against Defendant for civil penalties under the PAGA (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the cause of action alleged.

2.2. Pursuant to Labor Code Section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On October 3, 2024, the Parties participated in an all-day mediation presided over by Kelly Knight, Esq., a well-respected and experienced wage and hour mediator, which led to this Agreement to settle the Action.

2.4. Before mediation, Plaintiff obtained, through informal discovery, time and payroll records, Plaintiff's personnel file, and Defendant's policy documents, among other documents and information, to aid in the preparation of Plaintiff's evaluation of the claims and formulation of a damages model.

3. MONETARY TERMS.

3.1. <u>Gross Settlement Amount</u>. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay $125,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount before the deadline stated in Paragraph 4 of this Agreement (which will not be disbursed by the Administrator until after the Effective Date and in accordance with the terms of this Agreement). The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount in the amounts specified by the Court in the Approval Order:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (33 1/3%) of the Gross Settlement Amount, which is currently estimated to be $46,666.67 and a PAGA Counsel Litigation Expenses Payment of not more than $25,000.00. Defendant will not oppose requests for Court approval of these payments provided they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.2. To the Administrator: An Administration Expenses Payment not to exceed $5,000.00 except for a showing of good cause and as approved by the Court. To the extent the expenses incurred by the Administrator in connection with this Settlement are less, or the Court approves an Administration Expenses Payment of less than $5,000.00, the Administrator will allocate the remainder in the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the remaining Gross Settlement Amount (*i.e.*, the Net Settlement Amount), with 75% of the Net Settlement Amount allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4. Tax Allocation of Individual PAGA Payments. Since this is a Settlement for penalties under PAGA, there will be no tax withholding for each Aggrieved Employee's Individual PAGA Payment. The Administrator will pay the Individual PAGA Payments using IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records Defendant estimates the Aggrieved Employees worked a total of 14,652 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 15 days of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount on or before November 21, 2024, which the Administrator will hold in trust until the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 7 days after the Effective Date and receipt of the Aggrieved Employee Data, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. Each check for the Individual PAGA Payments shall be accompanied by a letter giving notice of the Settlement to the Aggrieved Employees, substantially in the form attached to this

Agreement as **Exhibit A,** with a Spanish translation.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding addresses. Within seven (7) days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, if requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. On the Effective Date, Plaintiff, PAGA Counsel, and Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Release by Aggrieved Employees, Including Plaintiff: All Aggrieved Employees, including Plaintiff, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties, attorneys' fees and costs during the PAGA Period which were: (a) alleged the Operative Complaint and the PAGA Notice; (b) relate to or arise out of the claims and/or facts alleged in the Operative Complaint and PAGA Notice; and (c) reasonably could have been alleged based on the claims or facts alleged in the Operative Complaint and PAGA Notice ("Released PAGA Claims").

5.2 Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for attorneys' fees and costs incurred in connection with pursuing Aggrieved Employees' Released Claims.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree that Plaintiff will prepare an application or motion for approval of this Settlement. PAGA Counsel will prepare the initial draft and file it. The Parties will jointly seek to immediately vacate or stay all dates in the Action, pending approval by the Court of the Settlement, and will seek a date for the hearing on the motion for approval of this Settlement as soon as possible.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a draft motion or application for approval of PAGA Settlement; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code Section 2699.3, subd. (a)), Operative Complaint (Labor Code Section 2699, subd. (l)(1)), this Agreement (Labor Code Section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.

6.2 Responsibilities of Counsel. PAGA Counsel are responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 60 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel are responsible for delivering the Court's Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Simpluris to serve as the Administrator and have verified that, as a condition of appointment, Simpluris agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses Payment. The Parties, PAGA Counsel, and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to provide reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation Section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, the Aggrieved Employees have worked 14,652 Pay Periods during the PAGA Period. The Parties agree that the pay period value is $8.53, which is calculated by dividing $125,000.00 by 14,652 pay periods. In the event that the total work weeks included in the settlement of this Action increase by more than 10% (i.e. more than 1,465 additional pay periods), Defendant, at its sole discretion will either (1) reduce the PAGA Period to the date that 16,117 pay periods are met, but not exceeded; or (2) increase the Gross Settlement Amount by the pay periods in excess of 1,465 pay periods multiplied by the pay period value ($8.53 per pay period). For example, if Defendant's investigation determines that the PAGA period is actually comprised of 16,152 pay periods, then Defendant will have the option to increase the Gross Settlement Amount by $298.55, making the Gross Settlement Amount $125,298.55 (35 extra pay periods multiplied by $8.53 per pay period = $298.55).

9. **CONTINUING JURISDICTION OF THE COURT**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement pursuant to CCP Section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing Settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

    9.1. Waiver of Right to Appeal. Provided the Judgment in consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. **ADDITIONAL PROVISIONS.**

    10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint and/or PAGA Notice have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

    10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement, and/or submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.

10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this

Agreement.

10.13 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Kane Moon
kmoon@moonlawgroup.com
Allen Feghali
afeghali@moonlawgroup.com
Edwin Kamarzarian
ekamarzarian@moonlawgroup.com
MOON LAW GROUP, P.C.
725 S. Figueroa Street, 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128

To Defendant:

Alis M. Moon (SBN 293897)
Jessica M. Ewert (SBN 328506)
JACKSON LEWIS P.C.
200 Spectrum Center Drive, Suite 500
Irvine, California 92618
Telephone: (949) 885-1360
Facsimile: (949) 885-1380
Alis.Moon@jacksonlewis.com
Jessica.Ewert@jacksonlewis.com

10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email, which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.

10.17 Enforcement Action. In the event either Party brings an action to enforce the terms of this Settlement, the prevailing party in such action shall be entitled to recover his/her/its reasonably attorneys' fees and costs incurred.

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10.18 The Parties with the benefit of representation and advice of counsel, have read this Agreement and fully understand each and every provision contained in it.

Dated: 12/16/2024

Signed by:
A1856F8FB3FD476...
Plaintiff Anthem Aether

Dated: 12-16-24

Defendant Sovereign Lending Group, Inc.

By: Joseph Pirro

Its: President

APPROVED AS TO FORM:

MOON LAW GROUP, P.C.

Dated: 12/16/2024

Kane Moon, Esq.
Allen Feghali, Esq.
Edwin Kamarzarian, Esq.
Counsel for Plaintiff Anthem Aether

JACKSON LEWIS P.C.

Dated: 1/07/2025

Alis M. Moon
Jessica M. Ewert
Counsel for Defendant Sovereign Lending Group, Inc.

EXHIBIT A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

NOTICE OF PAGA SETTLEMENT

Anthem Aether v. Sovereign Lending Group, Inc.

Superior Court of California, County of Orange, Case No. 30-2021-01209455-CU-OE-CXC

PLEASE READ THIS NOTICE

Enclosed is your payment from the settlement of a lawsuit brought on a representative basis under the Private Attorneys' General Act, California Labor Code § 2698, *et seq.* ("PAGA"), entitled *Anthem Aether v. Sovereign Lending Group, Inc.* (Orange County Superior Court, Case No. 30-2021-01209455-CU-OE-CXC) (the "Action"). PAGA is a California law that allows an individual to stand in the place of the Attorney General to bring a lawsuit for alleged penalties against his or her employer. The Action was brought by Anthem Aether ("Plaintiff"), against Defendant Sovereign Lending Group, Inc. ("Defendant"). The Action was brought on behalf of the State of California and allegedly aggrieved employees who worked for Defendant in California as an hourly, non-exempt employee at any time between July 2, 2020 to December 2, 2024 ("PAGA Period"). You have been identified as one of the allegedly aggrieved employees on whose behalf the Action was filed.

Plaintiff alleges he and all persons who are employed or were employed by Defendant as hourly, non-exempt employees during the PAGA Period ("Aggrieved Employees") are owed civil penalties under PAGA for alleged Labor Code violations, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalties to be paid under the settlement goes to the State of California's Labor & Workforce Development Agency ("LWDA"), and another portion goes to the Aggrieved Employees. In agreeing to this settlement, Defendant does not admit that it is liable in any way to the State of California and/or the Aggrieved Employees. Defendant expressly denies all claims and allegations in this Action, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. In approving this settlement, the Court did not decide the merits of Plaintiff's claims.

Upon the date the Court enters the Order approving the settlement, and Defendant's payment of all funds due under the settlement, the LWDA and Aggrieved Employees, including Plaintiff, fully release and forever discharge the Released Parties (as defined below) from any and all Released PAGA Claims (as defined below).

"Released PAGA Claims" means that as part of the settlement, you will be releasing claims for civil penalties that arose during the PAGA Period based on the facts alleged in this lawsuit or Plaintiff's PAGA notice letter to the LWDA. Specifically, the Settlement provides: "All Aggrieved

Employees, including Plaintiff, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties, attorneys' fees and costs which were: (a) alleged the Operative Complaint and the PAGA Notice; (b) relate to or arise out of the claims and/or facts alleged in the Operative Complaint and PAGA Notice; and (c) reasonably could have been alleged based on the claims or facts alleged in the Operative Complaint and PAGA Notice ("Released PAGA Claims")."

"Released Parties" are Defendant and any of its former, present, and future parents, affiliates, subsidiaries, predecessors, successors, and assigns, and each of their directors, officers, board members, shareholders, trustees, owners, members, employees, agents, attorneys, insurers, auditors, accountants, and other persons acting on their behalf.

The Gross Settlement Amount is the maximum total payment under the settlement. The Gross Settlement Amount is $125,000.00. This sum is comprised of PAGA Counsel attorneys' fees of $41,666.66; reimbursement of PAGA Counsel's litigation expenses in the amount of $________; Administration Expenses Payment of $________; and the remainder as PAGA Penalties. PAGA Penalties is comprised of the LWDA PAGA Payment and the Individual PAGA Payments to Aggrieved Employees. $________, or 75% of the PAGA Penalties, will be paid to the LWDA in accordance with the PAGA. $________, or 25% of the PAGA Penalties, will be paid to the Aggrieved Employees as Individual PAGA Payments, which will be calculated on a pro rata basis, based on the number of each Aggrieved Employee's pay periods worked during the PAGA Period.

Based on Defendant's records, you worked [NUMBER OF PAY PERIODS] pay periods during the PAGA Period. The total amount of pay periods worked by all Aggrieved Employees during the PAGA Period is [NUMBER OF PAY PERIODS].

The enclosed check represents your share based upon the number of pay periods you worked during the period from July 2, 2020, to December 2, 2024.

An IRS 1099 Form is enclosed. Please Note: One hundred percent (100%) of your portion of the civil penalties under this settlement will be considered penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your portion of the settlement. Neither Plaintiff nor Defendant have made any representations or warranties regarding the taxation of your portion of the settlement. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

Your enclosed check is valid for 180 days from the date of its issuance. ***It is strongly recommended that you cash or deposit this check immediately***. After that date, you cannot cash the check and it will be null and void and the amount forwarded to the State of California Controller's Office Unclaimed Property Division for further handling.

Even if you fail to cash the enclosed check, you will still be deemed to have waived all claims arising from the Action as defined above under "Released PAGA Claims," including all claims set forth in the release of claims described above.

If the check is lost or misplaced, please contact the Settlement Administrator immediately at [xxx-xxx-xxxx]. If you have any questions about your check, please contact the [insert administrator information].