SETTLEMENT AGREEMENT AND RELEASE

Subject to approval by the Superior Court of California, County of Orange ("Court"), this Settlement Agreement and Release ("Agreement") is made and entered by and between Plaintiff Cameron Santa Cruz ("Plaintiff"), on behalf of himself and as a representative aggrieved employee pursuant to Labor Code sections 2698 *et seq.* (Private Attorneys General Act of 2004 ("PAGA")), and Defendant Sun West Mortgage Company, Inc. ("Defendant") to settle the civil action entitled *Santa Cruz v. Sun West Mortgage Company, Inc.* (Case No. 30-2022-01239675-CU-OE-CXC) ("Lawsuit"). Plaintiff and Defendant are collectively referred to herein as the "Parties," and each may be individually referred to herein as a "Party."

RECITALS

This Agreement is made in consideration of the following facts:

A. Plaintiff is a former exempt employee of Defendant.

B. Plaintiff contends he suffered one or more violations of the Labor Code during his employment with Defendant and that he is an aggrieved employee under PAGA. Pursuant to PAGA, an aggrieved employee may, after exhausting administrative remedies with the California Labor and Workforce Development Agency ("LWDA"), act as an agent of the State of California to bring an action to recover civil penalties from their former employer on behalf of themselves and other current or former employees for violations of the Labor Code.

C. Pursuant to PAGA, on October 26, 2021, Plaintiff submitted a letter to the LWDA ("PAGA Notice") alleging that Defendant subjected him and other current and former hourly-paid, commission-based, salaried, non-exempt, and/or exempt employees of Defendant within the State of California to certain violations under the Labor Code, including sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802. These violations were premised upon Defendant's alleged: (1) failure to compensate their hourly-paid, commission-based, salaried, non-exempt, and/or exempt employees for all hours worked; (2) failure to properly pay all wages owed; (3) failure to provide, authorize, and/or permit meal and rest breaks (or pay premiums in lieu thereof); (4) failure to keep and provide complete and accurate wage statements; (5) failure to reimburse employees for all necessary business expenses and related costs; (6) failure to timely pay all wages due during employment and upon termination; (7) failure to maintain accurate and complete payroll records, and (8) misclassification of exempt employees, all of which are collectively referred to herein as the "PAGA Claims."

D. The Lawsuit includes the complaint Plaintiff filed on January 4, 2022 that seeks to recover civil penalties and attorneys' fees based on the PAGA Claims.

E. After evaluating the strengths and weaknesses of their positions, considering the time, expense, and risk associated with litigating the Lawsuit to judgment, and engaging in arm's-length settlement negotiations at an all-day mediation on February 19, 2024 with the mediator Paul Grossman, the Parties agreed to fully and finally settle any and all claims in the Lawsuit ("Settlement") up to and through the Settlement Period (as defined herein).

F. Defendant denies all the allegations in the Lawsuit and any contention that Defendant committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the Labor Code.

G. The Parties have each independently analyzed and investigated the facts and law relevant to the Lawsuit through discovery. Defendant has produced, and Plaintiff has reviewed, a substantial amount of documents and data, including, but not limited to, information pertaining to the employment policies, practices, and procedures implicated by the PAGA Claims. This included meal and rest breaks, overtime, timekeeping, and payroll policies, sampling of timekeeping and payroll records, wage statements for Plaintiff and other hourly-paid, commission-based, salaried, non-exempt, and/or exempt employees, and summaries of data pertaining to the number of employees allegedly affected by the PAGA Claims. The Parties have had ample opportunity to evaluate their positions on the merits of the claims asserted.

H. The Parties agree to cooperate and to take all steps necessary and appropriate to effectuate all aspects of this Agreement and to obtain the Court's approval of this Settlement and entry of judgment.

NOW, THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree to, and, pursuant to Labor Code section 2699(l)(2), seek approval of, the following settlement terms.

SETTLEMENT TERMS

1. **Court Approval of the Agreement.** In accordance with Labor Code section 2699(l)(2), the Parties will present this Agreement to the Court for its review and approval via a stipulation or noticed motion.

2. **Delivery of Agreement to the LWDA.** As required by Labor Code section 2699(l)(2), Plaintiff will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Court for approval.

3. **Effective Date.** This Agreement shall become fully effective the later of either: (a) the Court has granted the motion for approval of the Settlement and approved amounts for Attorneys' Fees Award, Litigation Costs Award, Administration Costs, Enhancement Payment, and PAGA Penalties Fund (terms as defined herein), the Released Claims, and all the other material terms of this Agreement and has entered the Final Judgment consistent with this Agreement; or (b) the date there is a final resolution of the objection or appeal if the LWDA files an objection.

4. **No Admission of Liability.**

(a) The Parties acknowledge and agree this Agreement is the result of, and evidences, a compromise and settlement of disputed claims in the Lawsuit. Defendant denies and continues to deny all the allegations made by Plaintiff in the Lawsuit. Defendant also denies and continues to deny that they are liable or owe any damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Lawsuit. Defendant denies any liability or wrongdoing of any kind in connection with the claims, and contends that, during all relevant time periods, it complied in all respects with applicable state and federal laws and regulations. Without admitting or conceding any liability or damages, and without admitting that a representative PAGA action is appropriate except for settlement purposes alone, Defendant has agreed to settle the Lawsuit on the terms and conditions set forth in this Agreement to avoid the burden, expense, and uncertainty of continued litigation.

(b) The Parties understand and agree that this Agreement and any exhibit thereto are settlement documents and shall be inadmissible for any purpose in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of this Agreement. The Parties agree that, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

5. **Persons and Entities Covered by this Agreement.**

(a) **The Settlement Period.** This Agreement shall cover the period from January 4, 2021 through May 19, 2024 ("Settlement Period").

(b) **The Settlement Group.** This Agreement shall cover all current or former employees of Defendant who worked with loans, including, but not limited to, the following: Area Manager, Assistant Branch Manager, Assistant Manager, Loan Officer, Assistant Sales Manager, Assistant Vice President - Sales Finance, Associate Loan Officer, Branch Business Development Associate, Branch Manager, Branch Manager Assistant, Branch Marketing Assistant, Branch Operations Assistant, Branch Operations Manager, Branch Sales Coordinator, Business Development, Business Development Manager, Business Development Officer, Business Development Partner, Call Center Manager, Call Center Mortgage Loan Officer, Client Relations Manager, Client Relations Specialist, Client Services Specialist, Client Support Specialist, Customer Care Level II, Customer Service Specialist, DE Underwriter, Division Underwriting Manager, Field Mortgage Loan Officer, Funder, Insuring, Insuring Officer, Junior Processor, Level 1 Support Analyst, Loan Coordinator, Loan Coordinator Team Lead/Relationship Manager, Loan Coordinator/Processor Assistant, Loan Officer, Loan Officer Assistant, Loan Partner, Loan Processor, Loan Production Manager, Loan Support, Loss Mitigation Underwriter, MLO, Renovation Specialist, MLO/Business Development Officer, Market Manager, Mortgage Consultant, Mortgage Loan Officer, Mortgage Loan Originator, Non Producing Sales Manager, Non-Producing Branch Manager, Operations Manager, Part Time - Client relations Specialist, Part Time Mortgage Loan Officer, Part time Senior Mortgage Loan Originator, Pipeline Analyst, Pipeline Manager, Post Closing Analyst, Pricing Expert, Processor, Producing Branch Manager, Production – Team Lead, Production Assistant, Production Manager, Production Manager –

Senior Loan Officer, Production Manager / Escalations Specialist, QC Analyst, Recruiter & Call Center MLO, Regional Manager, Regional Operations Manager, Regional Sales Manager, Relationship Manager, Relationship Manager / Loan Partner, Risk Management Specialist, Sales Manager, Senior Loan Officer, Senior Manager, Senior Mortgage Loan Officer, Senior Mortgage Trainer, Senior Processor, Senior Underwriter, Senior Vice President – Business Development, Senior Vice President Production Management, Subject Matter Specialist – DE/VA/USDA Underwriter, Trailing Docs Associate, Transaction Assistant, Underwriter, Underwriter – Level 1, Underwriting Supervisor, VA Underwriter, Vendor Order Support, Western Region Sales Manager, Western Regional Manager, Wholesale Production Supervisor, and Wholesale Sales Manager, excluding executive positions and administrative positions, within the State of California at any time during the Settlement Period. Such employees shall be collectively referred to herein as the "Settlement Group." Each employee within the Settlement Group may be individually referred to herein as a "Settlement Group Member."

(i) The Parties agree there will be no right of Settlement Group Members to opt out of or object to the Settlement. There will also be no claims process and no reversion. Defendant estimates there are 666 Settlement Group Members that worked 12,000 pay periods during the Settlement Period.

6. **Settlement Administration.**

(a) The Parties will retain Phoenix Class Action Administration Solutions to act as the "Settlement Administrator" with respect to this Agreement.

(b) The Settlement Administrator shall be responsible for establishing a qualified settlement fund pursuant to 26 U.S.C. section 486B, making all payments required by this Agreement, handling all required tax withholding and reporting related thereto to the extent necessary, and issuing all appropriate tax forms to Plaintiff, Plaintiff's Counsel, the Settlement Group, and LWDA resulting from the settlement payments under this Agreement.

(c) Any disputes concerning administration of the Agreement may be submitted to the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the mediator's assistance, the dispute may be submitted to and resolved by the Court.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement – including the releases set forth in Section 9 of this Agreement – Defendant shall pay the maximum gross sum of $900,000 ("Gross Settlement Amount"), in the manner and method set forth in this Agreement, to fully, finally, and completely settle the Lawsuit and PAGA Claims alleged therein, including any and all associated claims for civil penalties, attorneys' fees, interest, and litigation costs and expenses. Nothing in this Agreement, aside from the conditions set forth in Section 10, shall require Defendant to pay, or make Defendant liable for, more than the Gross Settlement Amount to fully, finally, and completely settle the Lawsuit and all claims alleged therein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following categories of payments: proposed award of attorneys' fees to Plaintiff's Counsel ("Attorneys' Fees Award"), proposed award of litigation costs and expenses to Plaintiff's Counsel ("Litigation Costs Award"), proposed payment of settlement administration costs to the Settlement Administrator ("Administration Costs"), proposed enhancement payment to Plaintiff ("Enhancement Payment"), and proposed payments of civil penalties to the LWDA and Settlement Group ("PAGA Penalties Fund"). Subject to approval by the Court, these amounts shall be paid and allocated as set forth below in Sections 7(b)(i) through 7(b)(v) of this Agreement.

(i) **Attorneys' Fees Award.**

(A) Plaintiff's Counsel in the Lawsuit – Douglas Han and Shunt Tatavos-Gharajeh of Justice Law Corporation ("Plaintiff's Counsel") – may submit a combined application to the Court for an award of attorneys' fees in an amount not to exceed the gross sum of thirty-five percent (35%) of the Gross Settlement Amount. Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' fees except as provided for in this Agreement.

(B) Any Attorneys' Fees Award approved by the Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiff may have for attorneys' fees arising out of the Lawsuit through the Effective Date of this Agreement, including work not yet performed.

(C) This Agreement is not contingent upon the Court approving an Attorneys' Fees Award in an amount equal to the maximum amount authorized by Section 7(b)(i)(A) of this Agreement. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve an Attorneys' Fees Award that is less than the amount authorized by Section 7(b)(i)(A) of this Agreement or the amount requested by Plaintiff's Counsel. The Court's refusal to approve the Attorneys' Fees Award requested by Plaintiff's Counsel does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(D) If any portion of the Attorneys' Fees Award authorized by Section 7(b)(i)(A) of this Agreement is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Attorneys' Fees Award. Additionally, any difference between the Attorneys' Fees Award authorized by Section 7(b)(i)(A) and Attorneys' Fees Award approved by the Court will become part of the PAGA Penalties Fund.

(ii) **Litigation Costs Award.**

(A) Plaintiff's Counsel may submit an application to the Court for an award for reimbursement of litigation costs and expenses incurred by Plaintiff's Counsel in connection with the Lawsuit that is currently estimated not to exceed the combined gross sum of $25,000 ("Litigation Costs Award"). Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' costs except as provided for in this Agreement.

(B) Any Litigation Costs Award approved by the Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiff may have for litigation costs and expenses arising out of the Lawsuit through the Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

(C) This Agreement is not contingent upon the Court approving a Litigation Costs Award in an amount equal to the maximum amount authorized by Section 7(b)(ii)(A) of this Agreement. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve a Litigation Costs Award that is less than the amount authorized by Section 7(b)(ii)(A) of this Agreement or the amount requested by Plaintiff's Counsel. The Court's refusal to approve the Litigation Costs Award requested by Plaintiff's Counsel does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(D) If any portion of the Litigation Costs Award authorized by Section 7(b)(ii)(A) of this Agreement is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Litigation Costs Award. Additionally, any difference between the Litigation Costs Award authorized by Section 7(b)(ii)(A) and Litigation Costs Award approved by the Court will become part of the PAGA Penalties Fund.

(iii) **Administration Costs.**

(A) Subject to approval by the Court, an amount currently estimated at $10,000 will be paid to the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement administration process ("Administration Costs"). If the actual costs of the settlement administration process are less than the amount approved by the Court, the balance will become part of the PAGA Penalties Fund.

(B) Any Administration Costs approved by the Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Court approving Administration Costs in an amount equal to the maximum amount authorized by Section 7(b)(iii)(A) of this Agreement. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve Administration Costs in an amount that is less than the amount authorized by Section 7(b)(iii)(A) of this Agreement. The Court's refusal to approve the Administration Costs requested does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(D) If any portion of the Administration Costs authorized by Section 7(b)(iii)(A) of this Agreement is not approved by the Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Additionally, the difference between the Administration Costs authorized by Section 7(b)(iii)(A) and Administration Costs approved by the Court will become part of the PAGA Penalties Fund.

(iv) **Enhancement Payment.**

(A) Plaintiff may submit an application to the Court for an award of an enhancement payment in an amount not to exceed $10,000 to Plaintiff for the time and effort and for the risk undertaken in bringing and prosecuting the Lawsuit. Defendant shall not oppose any requests by Plaintiff for the Enhancement Payment, which will be paid out of the Gross Settlement Amount.

(B) This Agreement is not contingent upon the Court approving the Enhancement Payment in an amount equal to the maximum amount authorized by Section 7(b)(iv)(A). This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve the Enhancement Payment in an amount less than that authorized by Section 7(b)(iv)(A). The Court's refusal to approve the Enhancement Payment requested by Plaintiff's Counsel does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(C) If any portion of the Enhancement Payment authorized by Section 7(b)(iv)(A) is not approved by the Court, no more than the approved amount shall be paid to Plaintiff from the Gross Settlement Amount. Additionally, any difference between the Enhancement Payment authorized by Section 7(b)(iv)(A) and Enhancement Payment approved by the Court will become part of the PAGA Penalties Fund.

(v) **PAGA Penalties Fund.** The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payment, and Administration Costs are paid shall be designated the "PAGA Penalties Fund," from which payments deemed to constitute a full and complete satisfaction of any and all claims in the Lawsuit for civil penalties under PAGA shall be made. Subject to approval by the Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA for enforcement of labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under the Labor Code.

(B) **Individual Settlement Awards.** Twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the "Net Settlement Amount" and will be paid to the Settlement Group on a pro rata basis. Each Settlement Group Member will receive a pro-rated share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked for Defendant in California during the Settlement Period. The maximum amount that each Settlement Group Member is entitled to receive ("Individual Settlement Award") is determined by multiplying the Net Settlement Amount by a ratio that is determined by dividing the total number of pay periods worked by the Settlement Group Member for Defendant in California during the Settlement Period by the total number of pay periods worked by all Settlement Group Members for Defendant in California during the Settlement Period, as expressed in the following formula:

(1) Individual Settlement Award = Net Settlement Amount x (total number of pay periods worked by the Settlement Group Member ÷ total number of pay periods worked by all Settlement Group Members).

(2) The Parties intend the Net Settlement Amount shall be sufficient to pay all valid claims of Settlement Group Members in accordance with the formula set forth above. If for any reason the total value of payments to Settlement Group Members exceeds this amount, then payments to each Settlement Group Member will be adjusted on a pro-rata basis so that the total payout to Settlement Group Members does not exceed the Net Settlement Amount.

(c) **No Effect on Employee Benefits.** The payments made to Settlement Group Members pursuant to this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group Members. It is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Group Members may be entitled under any benefit plans.

(i) **Payments to Plaintiff's Counsel.** The Attorneys' Fees Award and Litigation Costs Award shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to Justice Law Corporation in connection with its Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payments to the LWDA.** The seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA under Section 7(b)(v)(A) of this Agreement shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iii) **Payments to the Settlement Group.** Individual Settlement Awards shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. An IRS Form 1099 will be issued to each Settlement Group Member in connection with their Individual Settlement Award if it is $600 or more.

(iv) **Payment of Enhancement Payment to Plaintiff.** The Enhancement Payment to Plaintiff shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to Plaintiff.

(d) **Tax Indemnification.** Plaintiff, Plaintiff's Counsel, Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and the payment of the amounts set forth above in Section 7(b). Neither Defendant nor Defendant's counsel make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

8. **Notice of Settlement and Distribution of Settlement Payments.**

(a) **Settlement Group Members' List.** Within twenty-one (21) business days of the Effective Date, Defendant shall provide to the Settlement Administrator a list of Settlement Group Members that identifies each of their: (i) Social Security Numbers; (ii) last known addresses; (iii) telephone numbers; and (iv) number of pay periods worked for Defendant during the Settlement Period. Defendant agrees to consult with the Settlement Administrator as required to provide the list in a format reasonably acceptable for the performance of the duties of the Settlement Administrator. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process. The list of Settlement Group Members shall not be shared with Plaintiff or Plaintiff's Counsel.

(b) **Mailing of the Explanatory Notice Letters.** Before mailing the explanatory notice letters in the form attached hereto as **Exhibit A**, the Settlement Administrator shall update the Settlement Group Members' addresses using the National Change of Address Database ("NCOA"). Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Settlement Group Members' list, the Settlement Administrator will send the explanatory notice letter via regular First-Class U.S. Mail in English and Spanish to all Settlement Group Members identified in the list.

(c) **Returned Explanatory Notice Letters.** No later than three (3) business days after the Settlement Administrator's receipt of any explanatory notice letter by the USPS as undelivered, the Settlement Administrator shall remail the explanatory notice letter using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Settlement Administrator shall use the NCOA and skip tracing to find the most current address and remail the explanatory notice letter to the most current address obtained.

(d) **Challenges to the Allocation of Pay Periods.** Each Settlement Group Member shall have forty-five (45) calendar days after the Settlement Administrator mails the explanatory notice letters (plus an additional 14 calendar days for the Settlement Group Members whose explanatory notice letters are remailed) to challenge the number of pay periods allocated to them in their explanatory notice letters ("Response Deadline"). The Settlement Group Members may challenge the allocation of pay periods by communicating with the Settlement Administrator via fax, email, or mail on or before the Response Deadline. The Settlement Administrator must encourage the challenging Settlement Group Member to submit supporting documentation. In the absence of any contrary documentation, the Settlement Administrator is entitled to presume that the pay periods contained in the explanatory notice letters are correct so long as they are consistent with the list provided by Defendant. The Settlement Administrator will evaluate the evidence submitted by the Settlement Group Member and make a recommendation to the Parties as to which figures should be applied. If the Parties disagree with the Settlement Administrator's recommendation, the dispute will be presented to the Court for determination. The Court will make the final decision on such disputes.

(e) **Funding of Settlement by Defendant**. Within fourteen (14) calendar days of the Response Deadline, Defendant shall deposit the Gross Settlement Amount into the qualified settlement fund created by the Settlement Administrator.

(f) **Timing of Payment by Settlement Administrator**. Within fourteen (14) calendar days of the funding of the Gross Settlement Amount by Defendant, the Settlement Administrator will issue the payments required by Section 7 of this Agreement to the appropriate entities or persons. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual Settlement Awards. The payments will be accompanied by a follow-up explanatory letter in English and Spanish in the form attached hereto as **Exhibit B.**

(g) **Payment of Individual Settlement Awards.**

(i) Individual Settlement Awards will be paid in the form of a check delivered to each Settlement Group Member at the last known address on file with Defendant or as updated by the Settlement Administrator.

(ii) Individual Settlement Award checks will remain negotiable for one hundred twenty (120) calendar days after the date of their issuance ("Check Stale Date"). Any Individual Settlement Award checks that are not cashed, deposited, or negotiated on or before the Check Stale Date will be void, and the amount of those checks will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iii) Any checks to the Settlement Group returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing.

(iv) Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement. But the funds associated with such Settlement Group Member's Individual Settlement Award will be directed to the California State Controller for deposit in the Unclaimed Property Fund in their name.

9. **Releases.**

(a) **Release of PAGA Claims**. Effective on the date when Defendant fully funds the Gross Settlement Amount, this Agreement and judgment to be entered by the Court following this Agreement will forever bar Plaintiff, all Settlement Group Members, LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved employees, from pursuing any action against Defendant and its parents, subsidiaries, affiliates, predecessors, successors in interest, agents, insurers, employees (current and former), officers, directors, and attorneys ("Released Parties") under PAGA based on the PAGA claims pled in the operative complaint or which could have been pled under PAGA based on the facts alleged in the operative complaint and PAGA Notice and that arose during the Settlement Period ("Released Claims"). The Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code sections 201-204, 210, 216, 218.5, 218.6, 221, 225, 225.5, 226, 226(a), 226.2, 226.3, 226.7, 226.8, 246, 432.5, 510, 512(a), 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, 2698, 2751, 2753, 2800, and 2802, which include: (i) failure to pay minimum and overtime wages, including commissions and bonuses; (ii) failure to provide paid sick leave; (iii) failure to provide meal periods and rest breaks; (iv) failure to timely pay wages during employment; (v) failure to pay wages upon termination; (vi) failure to provide complete and accurate wage statements; (vii) failure to keep complete and accurate payroll records; (viii) failure to reimburse business expenses; (ix) misclassification of exempt employees; and (x) withholding of wages. The Released Claims also include all related claims for civil penalties under the governing Wage Orders and claims for attorneys' fees, costs, or interest resulting therefrom.

(b) Plaintiff's General Release and Waiver of Rights Under Civil Code Section 1542. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, in consideration of the amount of the Enhancement Payment approved by the Court, Plaintiff agrees for himself and his spouses, heirs, successors, and assigns, to forever generally release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the Effective Date, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including, but not limited to, all claims arising out of, based upon, or relating to his employment with Defendant or remuneration for, or termination of, such employment, whether known or unknown, arising under any federal, state, or local law, or statute. Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true. But Plaintiff agrees that this general release shall be and remain effective in all respects, notwithstanding such different or additional facts or his discovery of them.

For purposes of this general release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of 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.**

10. **Plaintiff's Option to Cancel the Agreement.** This Agreement was reached based on a total number of approximately 12,000 pay periods worked by Settlement Group Members in the Settlement Period. If it is determined the number of pay periods within the Settlement Period exceeds ten percent (10%) or more of 12,000 (*i.e.*, more than 13,200 pay periods), Plaintiff shall have the option to cancel the Agreement.

11. **Waiver of Appeal Rights.** By accepting this Settlement, and upon the Court granting approval of the settlement, Plaintiff and Plaintiff's Counsel hereby waive any and all rights they may have to appeal any judgment, ruling, or order made by the Court in the Lawsuit including, without limitation, any order granting approval of this Settlement or dismissing the

Lawsuit with prejudice. This includes all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, a motion for relief, and any extraordinary writ, and the approval, therefore, will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the approval, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the approval becomes final.

12. **Acknowledgement of Fair and Reasonable Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel. Each of the Parties acknowledges, agrees, and believes this Agreement is a fair, adequate, and reasonable settlement of the Lawsuit. The Parties further acknowledge 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 Agreement. Each Party to this Agreement agrees and represents it has investigated the facts relevant to this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary. The Parties agree this Agreement reflects their good faith compromise of the claims raised in the Lawsuit based on their assessment of the mutual risks and costs of further litigation and the assessments of their counsel.

13. **Authority to Enter the Agreement.** Each Party represents and warrants it has the right and authority to execute this Agreement. It is agreed the Settlement Group Members are so numerous that it is impossible or impractical to have each member execute this Agreement. It is agreed this Agreement may be executed on behalf of the Settlement Group Members by Plaintiff and Plaintiff's Counsel.

14. **Ownership of Claims.** The Parties represent they have not transferred or assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

15. **Authorization of Counsel.** The Parties' counsel warrant and represent they are authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate its terms.

16. **Attorneys' Fees.** Except as set forth in this Agreement, each side shall bear its own costs and attorneys' fees.

17. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, the Parties and their counsel will keep confidential the facts relating to the existence of this Agreement, negotiations leading to the execution of this Agreement, terms of this Agreement, and alleged factual basis for Plaintiff's claims, if any. Neither the Parties nor their counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in

future actions, Plaintiff's Counsel may reference the Action only by name and case number in a declaration establishing adequacy as class or representative counsel. Breach of this provision by Plaintiff or Plaintiff's Counsel shall entitle Defendant, in the exercise of their sole discretion, to nullify the Settlement at any time before approval by the Court. Should Plaintiff at any time breach this provision, Plaintiff shall forfeit to Defendant the full amount of the Enhancement Award. Without limitation by the foregoing, Defendant also may enforce this provision through an action for injunctive relief. Plaintiff waives any obligation by Defendant to file a bond in connection with any such action.

18. **Duty to Cooperate.** Each Party agrees it will abide by this Agreement and that the Parties and their counsel will cooperate with each other to affect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Court, including, but not limited to, fully documenting the settlement, completing or filing any other documents or pleadings, arguing that the terms and conditions agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the assistance of the mediator, the Parties may seek the assistance of the Court.

19. **Nullification of Agreement.** Defendant's payment of the Gross Settlement Amount shall be subject to the Court granting approval. If the Court fails to grant approval, the Parties shall be returned to their original positions as though this Agreement had never been entered into at all, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

20. **Defendant's Option to Revoke.** If the settlement, or any terms therein, is modified, vacated, altered, or becomes otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Court in its entirety and the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke this Agreement at its sole discretion.

21. **Severability.** If any clause or provision of this Agreement is declared illegal or unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

22. **Governing Law and Interpretation.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any

legal principle or rule providing that in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

23. **Continuing Jurisdiction of the Court.** Pursuant to Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over the Lawsuit and Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

24. **Admissibility of Agreement.** The Parties agree this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement, as set forth herein, pursuant to Evidence Code section 1123.

25. **Amendment and Modification.** This Agreement may not be modified, altered, or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties.

26. **Discovery of Documents and Information.** Plaintiff and Plaintiff's Counsel agree that they will destroy all documents and information provided to them by Defendant during this Lawsuit within sixty (60) calendar days after the completion of the administration of the Settlement. Plaintiff's Counsel agree that none of the documents and information provided to them by Defendant shall be used for any purpose other than Settlement of the Lawsuit.

27. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

28. **No Representations.** The Parties acknowledge, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

29. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same force, validity, and effect as original signatures.

* * *

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: 05/24/2024

Cameron Santa Cruz

By: Cameron Santa cruz

Dated: May 24, 2024

Justice Law Corporation [Approving as to Form Only]

By: D. Han

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiff

Dated: ____________________

Sun West Mortgage Company, Inc.

By: ______________________________

On behalf of Sun West Mortgage Company, Inc.

Dated: ____________________

Early Sullivan Wright Gizer & McRae LLP [Approving as to Form Only]

By: ______________________________

Scott E. Gizer, Esq.
Diane M. Luczon, Esq.
Padideh Zargari, Esq.
Attorneys for Defendant

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: ____________________ **Cameron Santa Cruz**

By: ____________________

Dated: ____________________ **Justice Law Corporation [Approving as to Form Only]**

By: ____________________
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiff

Dated: 5/29/2024 **Sun West Mortgage Company, Inc.**

By: ____________________
On behalf of Sun West Mortgage Company, Inc.

Dated: May 29, 2024 **Early Sullivan Wright Gizer & McRae LLP [Approving as to Form Only]**

By: ____________________
Scott E. Gizer, Esq.
Diane M. Luczon, Esq.
Padideh Zargari, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

Santa Cruz v. Sun West Mortgage Company, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01239675-CU-OE-CXC

Dear [Settlement Group Member's Name]:

Enclosed in this letter is the information regarding the settlement of the lawsuit filed in the Superior Court of California, County of Orange, entitled *Santa Cruz v. Sun West Mortgage Company, Inc.*, Case Number 30-2022-01239675-CU-OE-CXC ("Action"). The purpose of this letter is to provide you with basic information about the Action, pay periods allocated to you that will impact your settlement check, and effect of the settlement on your legal rights.

I. The Action

On January 4, 2022, Plaintiff Cameron Santa Cruz ("Plaintiff"), a former employee of Defendant Sun West Mortgage Company, Inc. ("Defendant"), commenced this Action by filing a complaint against Defendant pursuant to Labor Code section 2698 (Private Attorneys General Act of 2004 ("PAGA")) in the Superior Court of California, County of Orange ("Operative Complaint"), on behalf of the State of California and all current or former employees of Defendant who worked with loans, including, but not limited to, the following: Area Manager, Assistant Branch Manager, Assistant Manager, Loan Officer, Assistant Sales Manager, Assistant Vice President - Sales Finance, Associate Loan Officer, Branch Business Development Associate, Branch Manager, Branch Manager Assistant, Branch Marketing Assistant, Branch Operations Assistant, Branch Operations Manager, Branch Sales Coordinator, Business Development, Business Development Manager, Business Development Officer, Business Development Partner, Call Center Manager, Call Center Mortgage Loan Officer, Client Relations Manager, Client Relations Specialist, Client Services Specialist, Client Support Specialist, Customer Care Level II, Customer Service Specialist, DE Underwriter, Division Underwriting Manager, Field Mortgage Loan Officer, Funder, Insuring, Insuring Officer, Junior Processor, Level 1 Support Analyst, Loan Coordinator, Loan Coordinator Team Lead/Relationship Manager, Loan Coordinator/Processor Assistant, Loan Officer, Loan Officer Assistant, Loan Partner, Loan Processor, Loan Production Manager, Loan Support, Loss Mitigation Underwriter, MLO, Renovation Specialist, MLO/Business Development Officer, Market Manager, Mortgage Consultant, Mortgage Loan Officer, Mortgage Loan Originator, Non Producing Sales Manager, Non-Producing Branch Manager, Operations Manager, Part Time - Client relations Specialist, Part Time Mortgage Loan Officer, Part time Senior Mortgage Loan Originator, Pipeline Analyst, Pipeline Manager, Post Closing Analyst, Pricing Expert, Processor, Producing Branch Manager, Production – Team Lead, Production Assistant, Production Manager, Production Manager – Senior Loan Officer, Production Manager / Escalations Specialist, QC Analyst, Recruiter & Call Center MLO, Regional Manager, Regional Operations Manager, Regional Sales Manager, Relationship Manager, Relationship Manager / Loan Partner, Risk Management Specialist, Sales Manager, Senior Loan Officer, Senior Manager, Senior Mortgage Loan Officer, Senior Mortgage Trainer, Senior Processor, Senior Underwriter, Senior Vice President – Business Development, Senior Vice President Production Management, Subject Matter Specialist – DE/VA/USDA Underwriter, Trailing Docs Associate, Transaction Assistant, Underwriter, Underwriter – Level 1, Underwriting Supervisor, VA Underwriter, Vendor

Order Support, Western Region Sales Manager, Western Regional Manager, Wholesale Production Supervisor, and Wholesale Sales Manager, excluding executive positions and administrative positions, within the State of California at any time during the period from January 4, 2021 through May 19, 2024, otherwise referred to as "Settlement Group Members."

In the Action, Plaintiff claimed Defendant owed civil penalties under PAGA to Plaintiff and the Settlement Group Members for alleged violations of the Labor Code. Defendant denies it violated the Labor Code, denies the allegations in the Operative Complaint, and denies all liability under PAGA to Plaintiff, Settlement Group Members, and State of California.

The merits of the Action have not been determined. However, on _________, the Superior Court of California, County of Orange, approved a settlement of the Action that Defendant entered to avoid the costs and disruption of litigation.

II. Why This Letter Is Being Sent to You

The settlement approved by the Superior Court of California, County of Orange, involves a payment of civil penalties. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement goes to the California Labor and Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement will be distributed to all Settlement Group Members. This letter is being sent to you because you have been identified as a Settlement Group Member.

III. How the Amount of Your Settlement Payment Was Determined

Based on Defendant's records, it was determined that you worked _____ pay periods during the period from January 4, 2021 through May 19, 2024. Based on the total number of pay periods allocated to you, your settlement payment is calculated to be about $_____.

If you believe the number of pay periods allocated to you is incorrect, you may dispute this information by faxing, emailing, or mailing a written dispute along with supporting documentation providing contrary information to the Settlement Administrator at __________ on or before __________. The Settlement Administrator will evaluate any evidence you submit and will make the initial decision as to the number of pay periods allocated to you. The Court will have the right to review the Settlement Administrator's decision and make the final determination regarding unresolved disputes.

The settlement check that will be mailed to you following the expiration of the above-mentioned deadline or at the conclusion of any dispute and will remain negotiable for one hundred twenty (120) calendar days after the date of its issuance ("Check Stale Date"). If your settlement check is not cashed, deposited, or negotiated on or before the Check Stale Date, it will be voided and directed to the California State Controller's Unclaimed Property Fund in your name.

IV. Consequences of the Settlement

The Action was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

The Court's order and judgment approving the settlement of the Action binds all persons, including nonparty employees, who would be bound by a judgment in an action brought by California itself. As a result, although you are not a "party" to the Action, the judgment entered upon settlement of the Action is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate your settlement check.

As a result of this settlement, Plaintiff, Settlement Group Members, and State of California are forever barred from pursuing any action against Defendant and its parents, subsidiaries, affiliates, predecessors, successors in interest, agents, insurers, employees (current and former), officers, directors, and attorneys ("Released Parties") under PAGA based on the PAGA claims pled in the operative complaint or which could have been pled under PAGA based on the facts alleged in the operative complaint and PAGA Notice and that arose during the period from January 4, 2021 through May 19, 2024 ("Released Claims"). The Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code sections 201-204, 210, 216, 218.5, 218.6, 221, 225, 225.5, 226, 226(a), 226.2, 226.3, 226.7, 226.8, 246, 432.5, 510, 512(a), 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, 2698, 2751, 2753, 2800, and 2802, which include: (i) failure to pay minimum and overtime wages, including commissions and bonuses; (ii) failure to provide paid sick leave; (iii) failure to provide meal periods and rest breaks; (iv) failure to timely pay wages during employment; (v) failure to pay wages upon termination; (vi) failure to provide complete and accurate wage statements; (vii) failure to keep complete and accurate payroll records; (viii) failure to reimburse business expenses; (ix) misclassification of exempt employees; and (x) withholding of wages. The Released Claims also include all related claims for civil penalties under the governing Wage Orders and claims for attorneys' fees, costs, or interest resulting therefrom.

V. <u>Taxation of Your Individual Settlement Award</u>

You will be issued an IRS Form 1099 in connection with the funds paid to you via your settlement check if the amount is $600 or more. You are solely responsible for all tax obligations attributable to you that may arise because of receiving your settlement check. If you have any tax-related questions regarding your settlement check, you should direct them to your own tax advisor.

VI. <u>Where to Get More Information</u>

Do not call or contact the Superior Court of California, County of Orange, about this letter, settlement, your settlement check, or Action in general. If you have questions, you may contact _______________, the Settlement Administrator, at _______________.

Dated: INSERT DATE

EXHIBIT B

FOLLOW-UP NOTICE OF PAGA SETTLEMENT

Santa Cruz v. Sun West Mortgage Company, Inc.
Superior Court of California, County of Orange
Case No. 30-2022-01239675-CU-OE-CXC

Dear [Settlement Group Member's Name]:

Earlier this year, you were sent a letter with information regarding the settlement of the lawsuit filed in the Superior Court of California, County of Orange, entitled *Santa Cruz v. Sun West Mortgage Company, Inc.*, Case Number 30-2022-01239675-CU-OE-CXC ("Action").

The letter explained that you were identified as a Settlement Group Member entitled to receive a portion of the civil penalties under the settlement. The letter also explained that your Settlement Payment was determined based on the number of pay periods you worked during the period from January 4, 2021, through May 19, 2024, and that you had until _______ to dispute the number of pay periods allocated to you.

The settlement check that accompanies this letter is now being mailed to you because the above-mentioned deadline has now expired or because your dispute regarding the number of allocated pay periods has now concluded. Your settlement check will remain negotiable for one hundred twenty (120) calendar days after the date of its issuance ("Check Stale Date"). If your settlement check is not cashed, deposited, or negotiated on or before the Check Stale Date, it will be voided and directed to the California State Controller's Unclaimed Property Fund in your name.

You will be issued an IRS Form 1099 in connection with your settlement check if the amount is $600 or more. You are solely responsible for all tax obligations attributable to you that may arise due to receiving your settlement check. If you have any tax-related questions regarding your settlement check, you should direct them to your own tax advisor.

The remainder of this letter is to remind you of the basic information about the Action that you were informed of earlier this year. If you have questions, please contact _______________, the Settlement Administrator, at _______________.

Dated: INSERT DATE

I. The Action

On January 4, 2022, Plaintiff Cameron Santa Cruz ("Plaintiff"), a former employee of Defendant Sun West Mortgage Company, Inc. ("Defendant"), commenced this Action by filing a complaint against Defendant pursuant to Labor Code section 2698 (Private Attorneys General Act of 2004 ("PAGA")) in the Superior Court of California, County of Orange ("Operative Complaint"), on behalf of the State of California and all current or former employees of Defendant who worked with loans, including, but not limited to, the following: Area Manager, Assistant Branch Manager, Assistant Manager, Loan Officer, Assistant Sales Manager, Assistant Vice President - Sales Finance, Associate Loan Officer, Branch Business Development Associate, Branch Manager, Branch Manager Assistant, Branch Marketing Assistant, Branch Operations Assistant, Branch Operations Manager, Branch Sales Coordinator, Business Development, Business Development Manager, Business Development Officer, Business Development Partner, Call Center Manager, Call Center Mortgage Loan Officer, Client Relations Manager, Client Relations Specialist, Client Services Specialist, Client Support Specialist, Customer Care Level II, Customer Service Specialist, DE Underwriter, Division Underwriting Manager, Field Mortgage Loan Officer, Funder, Insuring, Insuring Officer, Junior Processor, Level 1 Support Analyst, Loan Coordinator, Loan Coordinator Team Lead/Relationship Manager, Loan Coordinator/Processor Assistant, Loan Officer, Loan Officer Assistant, Loan Partner, Loan Processor, Loan Production Manager, Loan Support, Loss Mitigation Underwriter, MLO, Renovation Specialist, MLO/Business Development Officer, Market Manager, Mortgage Consultant, Mortgage Loan Officer, Mortgage Loan Originator, Non Producing Sales Manager, Non-Producing Branch Manager, Operations Manager, Part Time - Client relations Specialist, Part Time Mortgage Loan Officer, Part time Senior Mortgage Loan Originator, Pipeline Analyst, Pipeline Manager, Post Closing Analyst, Pricing Expert, Processor, Producing Branch Manager, Production – Team Lead, Production Assistant, Production Manager, Production Manager – Senior Loan Officer, Production Manager / Escalations Specialist, QC Analyst, Recruiter & Call Center MLO, Regional Manager, Regional Operations Manager, Regional Sales Manager, Relationship Manager, Relationship Manager / Loan Partner, Risk Management Specialist, Sales Manager, Senior Loan Officer, Senior Manager, Senior Mortgage Loan Officer, Senior Mortgage Trainer, Senior Processor, Senior Underwriter, Senior Vice President – Business Development, Senior Vice President Production Management, Subject Matter Specialist – DE/VA/USDA Underwriter, Trailing Docs Associate, Transaction Assistant, Underwriter, Underwriter – Level 1, Underwriting Supervisor, VA Underwriter, Vendor Order Support, Western Region Sales Manager, Western Regional Manager, Wholesale Production Supervisor, and Wholesale Sales Manager, excluding executive positions and administrative positions, within the State of California at any time during the period from January 4, 2021 through May 19, 2024, otherwise referred to as "Settlement Group Members."

In the Action, Plaintiff claimed Defendant owed civil penalties under PAGA to Plaintiff and the Settlement Group Members for alleged violations of the Labor Code. Defendant denies it violated the Labor Code, denies the allegations in the Operative Complaint, and denies all liability under PAGA to Plaintiff, Settlement Group Members, and State of California.

The merits of the Action have not been determined. However, on _________, the Superior Court of California, County of Orange, approved a settlement of the Action that Defendant entered to avoid the costs and disruption of litigation. The settlement involves a payment of civil penalties. In accordance with PAGA, seventy-five percent (75%) of the civil penalties under the settlement has been paid to the California Labor and Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties under the settlement has been distributed to Settlement Group Members; your settlement check represents a portion of these civil penalties.

II. <u>Consequences of the Settlement</u>

The Action was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

The Court's order and judgment approving the settlement of the Action binds all persons, including nonparty employees, who would be bound by a judgment in an action brought by California itself. As a result, although you are not a "party" to the Action, the judgment entered upon settlement of the Action is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate your settlement check.

As a result of this settlement, Plaintiff, Settlement Group Members, and State of California are forever barred from pursuing any action against Defendant and its parents, subsidiaries, affiliates, predecessors, successors in interest, agents, insurers, employees (current and former), officers, directors, and attorneys ("Released Parties") under PAGA based on the PAGA claims pled in the operative complaint or which could have been pled under PAGA based on the facts alleged in the operative complaint and PAGA Notice and that arose during the period from January 4, 2021 through May 19, 2024 ("Released Claims"). The Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code sections 201-204, 210, 216, 218.5, 218.6, 221, 225, 225.5, 226, 226(a), 226.2, 226.3, 226.7, 226.8, 246, 432.5, 510, 512(a), 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, 2698, 2751, 2753, 2800, and 2802, which include: (i) failure to pay minimum and overtime wages, including commissions and bonuses; (ii) failure to provide paid sick leave; (iii) failure to provide meal periods and rest breaks; (iv) failure to timely pay wages during employment; (v) failure to pay wages upon termination; (vi) failure to provide complete and accurate wage statements; (vii) failure to keep complete and accurate payroll records; (viii) failure to reimburse business expenses; (ix) misclassification of exempt employees; and (x) withholding of wages. The Released Claims also include all related claims for civil penalties under the governing Wage Orders and claims for attorneys' fees, costs, or interest resulting therefrom.

III. Where to Get More Information

Do not call or contact the Superior Court of California, County of Orange, about this letter, settlement, your settlement check, or the Action in general. If you have questions, you may contact _______________, the Settlement Administrator, at _______________.

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, CA 91103 and my electronic service address is hdonnelly@justicelawcorp.com.

On June 4, 2024, I served the foregoing documents described as

SETTLEMENT AGREEMENT AND RELEASE

for the following case:	**Santa Cruz adv. Sun West Mortgage Company, Inc.**
LWDA/Court Case No.:	**LWDA Case No.: CM-849946-21** **Court Case No.: 30-2022-01239675-CU-OE-CXC** **Orange County Superior Court**

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] **BY ELECTRONIC SUBMISSION**
Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] **STATE**
I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 4, 2024, at Pasadena, California.

Heather Donnelly