

CONFIDENTIAL SETTLEMENT AGREEMENT

This Confidential Settlement Agreement (the "Agreement") is executed by and between Plaintiff Max Abrams ("Plaintiff") and Defendant Lenox Financial Mortgage Corporation ("Lenox") on the terms and conditions set forth below.

A. On or about February 22, 2022, Plaintiff filed a lawsuit against Lenox in the case entitled MAX ABRAMS v. LENOX FINANCIAL MORTGAGE CORPORATION, HOME BAY FINANCIAL INC., and DOES 1 to 50; Orange County Superior Court, Case No. 30-2022-01246897-CU-OE-CXC (the "Action");

B. Lenox denies, and continues to deny, the allegations made by Plaintiff in the Action; and

C. Without any admission of wrongdoing or liability by Plaintiff and Lenox (collectively, the "Parties"), it is the intention and agreement of the Parties to settle and dispose of, fully and completely, all claims between the Parties, including but not limited to all claims alleged in the Action.

D. In consideration for the execution of this Agreement and the performance of the terms and conditions herein, the Parties agree as follows:

1. Settlement Payment. Subject to the conditions precedent set forth below, and pursuant to the express direction, consent, and authorization of Plaintiff and his counsel, Lenox will pay to Plaintiff the total amount of \$17,500.00, less applicable withholdings (the "Settlement Payment"). The Settlement Payment will be made in three checks, as follows: (1) one check for wages made payable to Max Abrams in the amount of \$1,000.00, less applicable withholdings; (2) one check for emotional distress, physical injury and/or attorneys' fees/costs made payable to Plaintiff in the amount of \$10,255.00, subject to the issuance of an IRS Form 1099; and (3) one check for attorneys' fees in the amount of \$6,245.00 made payable to Melmed Law Group. Within 10 days of the superior court's dismissal of the class claims Lenox shall make the payments set forth above by mailing via registered mail all three checks to Plaintiff's counsel at: Jonathan Melmed, 1801 Century Park East, Suite 850, Los Angeles, CA 90067.

2. Voluntary Resignation. Plaintiff voluntarily resigns from his employment with the Released Parties, as defined below, once Plaintiff's counsel receives the Settlement Payment.

3. Dismissal. Within 10 days of the execution of this Agreement, Plaintiff shall file dismissal of the class claims without prejudice by the superior court. Upon payment of the Settlement Payment, Plaintiff shall file a dismissal of all individual claims by Plaintiff with prejudice.

4. Release by Plaintiff. Plaintiff releases and forever discharges Lenox Financial Mortgage Corporation and Home Bay Financial, Inc., and their present and former parents, subsidiaries, affiliated and related entities, present and former owners, boards, directors, officers, trustees, shareholders, members, partners, employees, agents, insurers, attorneys, representatives, heirs, executors, administrators, successors and assigns, and present and former parents, subsidiaries, affiliated and related Parties (collectively, the "Released Parties"), and each of them, of and from any and all liabilities, claims, debts, demands, actions, causes of action, charges, complaints, obligations, costs, expenses, attorneys' fees, damages, injuries, losses, agreements, interest, promises, judgments, accounts, and other legal responsibilities arising in law, equity or otherwise, of any and every kind, nature and character whatsoever, whether known or unknown, unforeseen,

unanticipated, unsuspected or latent, which Plaintiff and/or each of Plaintiff's successors, agents, or assigns now own or hold, or have at any time heretofore owned or held, or may at any time own or hold by reason of any matter or thing arising from any cause whatsoever prior to the date of execution of this Agreement, including, and without limiting the generality of the foregoing, any and all claims arising out of, connected with, or relating to:

- Those arising out of the Action;
- Plaintiff's employment with any of the Released Parties;
- Any act or omission by or on the part of any of the Released Parties prior to the date Plaintiff signs this Agreement;
- Title VII of the Civil Rights Act;
- The Civil Rights Act;
- Title 42 of the United States Code;
- The Age Discrimination in Employment Act;
- The Employee Retirement Income Security Act;
- The Immigration Reform and Control Act;
- The Americans with Disabilities Act;
- The Family Medical Leave Act;
- The Fair Labor Standards Act;
- The Workers Adjustment and Retraining Notification Act;
- The Occupational Safety and Health Act;
- The California Fair Employment and Housing Act;
- The California Labor Code;
- The California Family Rights Act;
- California Equal Pay Law;
- IWC Wage Orders;
- California Private Attorneys General Act;
- California health and safety laws and regulations;
- Any claims in any class action, collective action, and/or representative action against the Released Parties;
- Any other federal, state, or local law, regulation or ordinance, including those regulating compensation;
- And those prohibiting discrimination, harassment, or retaliation of any kind;
- Any claim based on violation of public policy, breach of contract, tort, fraud, misrepresentation, defamation, or any other common law claim; or
- Any claim for costs, fees, interest, or other expenses, including attorneys' fees.

Notwithstanding the foregoing, this Release is not intended to affect and does not release claims that cannot be released as a matter of law. Nothing in this Release shall be construed as a basis for interfering with Plaintiff's protected right to file a charge with, or participate in an investigation or proceeding conducted by the EEOC, or any other state, federal, or local government entity; provided, however, if the EEOC or any other state, federal, or local government entity commences an investigation on Plaintiff's behalf, Plaintiff specifically waives and

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Plaintiff's Initials

releases his right, if any, to recover any monetary or other benefits of any sort whatsoever arising from any such investigation.

5. Release of Unknown Claims. Plaintiff understands that the release of claims set forth herein is intended to be comprehensive in scope and to cover claims that Plaintiff knows about and those Plaintiff may not foresee or know about. Plaintiff expressly waives any and all rights which Plaintiff may have under Section 1542 of the Civil Code of the State of California which are as follows: "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."

6. Older Worker's Benefit Protection Act. This Agreement constitutes a knowing and voluntary waiver of any and all rights or claims that Plaintiff has or may have under the Federal Age Discrimination In Employment Act, as amended by the Older Workers' Benefit Protection Act of 1990, 29 U.S.C. §§ 621, et seq. This paragraph and this Agreement are written in a manner calculated to be understood by Plaintiff. Plaintiff is hereby advised in writing to consult with an attorney before signing this Agreement. Plaintiff has had a reasonable time of up to 21 days in which to consider signing this Agreement. If Plaintiff decides not to use all 21 days, Plaintiff knowingly and voluntarily waives any claims that Plaintiff was not given the 21-day period or did not use the entire 21 days to consider this Agreement. Plaintiff may revoke this Agreement at any time within the 7-day period following the date Plaintiff signs this Agreement by providing written notice of revocation to glabate@shepardmullin.com so that said revocation notice is received before the expiration of the 7-day revocation period (the "Revocation Period"). If Plaintiff revokes the Agreement within the Revocation Period, Plaintiff will not receive the consideration set forth in the Agreement.

7. No Admission of Liability. Neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed as an admission of liability or wrongdoing on the part of the Released Parties, nor shall they be admissible as evidence in any proceeding other than for the enforcement of this Agreement.

8. Consideration. The Settlement Payment constitutes good and valuable consideration for Plaintiff's release of all claims against the Released Parties. The Released Parties have no independent legal duty to pay Plaintiff the Settlement Payment absent the terms of this Agreement itself.

9. Good Faith Dispute. There is a good faith dispute between the Parties as to whether Plaintiff is owed any additional payments, including but not limited to all wages, commissions, bonuses, PTO, vacation, sick leave, holidays, reimbursements, profit sharing, insurance, benefits, fees, costs and/or penalties, except for the Settlement Payment expressly set forth above, and Plaintiff is willing to compromise and resolve all such claims by accepting the Settlement Payment under the terms of this Agreement.

10. No Further Payments. Except for the Settlement Payment, Plaintiff acknowledges and agrees that the Released Parties have paid Plaintiff all other compensation or other payments due to Plaintiff, including without limitation, all wages, commissions, bonuses, PTO, vacation, sick leave, holidays, reimbursements, profit sharing, insurance, benefits, fees, costs and/or penalties, except for the Settlement

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Payment expressly set forth above. Plaintiff acknowledges that after Lenox makes the Settlement Payment, the Released Parties will not owe any amounts to Plaintiff whatsoever.

11. No Settlement Payment Absent Execution of this Agreement. Plaintiff will not receive the Settlement Payment specified herein, except for Plaintiff's execution of this Agreement and the fulfillment of the promises contained herein. Lenox has no independent legal duty to provide Plaintiff with the Settlement Payment set forth in this Agreement, absent the terms of the Agreement itself.

12. No Other Claims. Plaintiff shall dismiss with prejudice any and all existing claims, charges, and/or complaints filed by Plaintiff against the Released Parties with any and all government agencies, tribunals, and/or courts, including the Action.

13. Covenant Not To Sue. Plaintiff has not directly or indirectly instituted any legal action against the Released Parties based upon, arising out of, or relating to any claims released in this Agreement other than the Action. Plaintiff has not and will not encourage and/or solicit any third party to institute any legal action against the Released Parties but will testify truthfully in any legal, administrative, or alternative dispute resolution proceeding if such testimony is required by law.

14. Tax Liability. No party or attorney for any party has made any representations or warranties regarding the taxability of the Settlement Payment made herein. Plaintiff agrees to assume all risks regarding the tax consequences of the Settlement Payment, if any. Plaintiff further agrees to indemnify and hold harmless the Released Parties against any assessment of payroll, withholding, FICA, or other taxes or penalties to Plaintiff on the Settlement Payment, if any.

15. Indemnification. Plaintiff shall indemnify and hold harmless the Released Parties against any loss or liability, whatsoever, including reasonable attorneys' fees, caused by any action or proceeding, in any state or federal courts or administrative processes if such action arises out of or is based upon any claim, demand or cause of action released herein.

16. No Workplace Injuries. Plaintiff has not sustained any workplace injury of any kind during Plaintiff's employment with Lenox, and Plaintiff does not intend to file any claim for or seek any workers' compensation benefits.

17. CONFIDENTIALITY. PLAINTIFF SHALL NOT DISCLOSE, PUBLICIZE OR ALLOW OR CAUSE TO BE PUBLICIZED OR DISCLOSED ANY OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR THE EXISTENCE OF THIS AGREEMENT ITSELF, UNLESS AND TO THE EXTENT REQUIRED OR COMPELLED BY LAW, AND ALLOWED BY C.C.P. SECTIONS 1001-1002. THIS PROVISION DOES NOT PREVENT PLAINTIFF FROM DISCLOSING THE AMOUNT OF THE SETTLEMENT PAYMENT IN THIS AGREEMENT TO PLAINTIFF'S SPOUSE, ATTORNEYS, ACCOUNTANTS, AND/OR THE GOVERNMENT FOR TAX PURPOSES. SHOULD PLAINTIFF DISCLOSE ANY INFORMATION CONCERNING THIS AGREEMENT TO THOSE LISTED ABOVE, PLAINTIFF MUST ADVISE THOSE TO WHOM THE INFORMATION IS DISCLOSED THAT THEY WILL ALSO BE UNDER AN OBLIGATION TO KEEP THE TERMS, CONDITIONS AND EXISTENCE OF THIS AGREEMENT CONFIDENTIAL. IF PLAINTIFF IS ASKED ABOUT THIS MATTER, PLAINTIFF SHALL ONLY STATE THAT THE MATTER HAS BEEN RESOLVED. THE PARTIES AGREE THAT A BREACH OF THE PROMISES SET FORTH IN THIS SECTION WILL INJURE THE

INTERESTS OF THE RELEASED PARTIES AND THAT THE ACTUAL DAMAGES CAUSED BY THIS BREACH WILL BE DIFFICULT TO ASCERTAIN WITH ANY CERTAINTY. AS SUCH, PLAINTIFF MUST PAY \$1,000.00 AS LIQUIDATED DAMAGES FOR EACH AND EVERY VIOLATION OF THIS SECTION. THE PAYMENT OF SAID LIQUIDATED DAMAGES, IF ANY, WILL NOT ABROGATE OR AFFECT IN ANY WAY THE TERMS OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE RELEASE OF ALL CLAIMS AGAINST THE RELEASED PARTIES. THE PARTIES AGREE THAT EACH PROVISION OF THIS SECTION IS A MATERIAL TERM OF THIS AGREEMENT, AND THE RELEASED PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT ABSENT THIS SECTION. NOTHING IN THIS AGREEMENT PREVENTS PLAINTIFF FROM DISCUSSING OR DISCLOSING INFORMATION ABOUT UNLAWFUL ACTS IN THE WORKPLACE, SUCH AS HARASSMENT OR DISCRIMINATION OR ANY OTHER CONDUCT, THAT PLAINTIFF HAS REASON TO BELIEVE IS UNLAWFUL. THE PARTIES AGREE THAT EACH PROVISION OF THIS SECTION IS A MATERIAL TERM OF THIS AGREEMENT.

18. MUTUAL NON-DISPARAGEMENT. PLAINTIFF SHALL NOT MAKE, VERBALLY, IN WRITTEN FORM, VIA THE INTERNET, PHONE, TEXT MESSAGE, SOCIAL MEDIA, OR OTHERWISE, OR RATIFY ANY FALSE OR DISPARAGING COMMENTS OR STATEMENTS ABOUT ANY OF THE RELEASED PARTIES, THEIR OFFICERS, EMPLOYEES, OR AGENTS. NOTHING IN THIS AGREEMENT PREVENTS PLAINTIFF FROM DISCUSSING OR DISCLOSING INFORMATION ABOUT UNLAWFUL ACTS IN THE WORKPLACE, SUCH AS HARASSMENT OR DISCRIMINATION OR ANY OTHER CONDUCT, THAT PLAINTIFF HAS REASON TO BELIEVE IS UNLAWFUL. THE PARTIES AGREE THAT EACH PROVISION OF THIS SECTION IS A MATERIAL TERM OF THIS AGREEMENT. Lenox agrees that it will not ratify any false or disparaging comments or statements about Plaintiff. In response to any inquiry from a prospective employer of Plaintiff, Lenox will only provide Plaintiff's dates of employment and compensation. In connection with such an inquiry, Lenox will not disparage Plaintiff, and will not disclose any of the terms of this Agreement or this Action.

19. CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY"; AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION

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IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

20. Right to Consult an Attorney. Plaintiff is hereby advised in writing of Plaintiff's right to consult an attorney regarding this Agreement, and is hereby advised that Plaintiff has a reasonable time of not less than 5 business days in which to do so. If Plaintiff decides not to use all 5 business days, Plaintiff does so knowingly and voluntarily, without inducement by Lenox. Lenox has not made any representations or threats to withdraw or alter the terms of this Agreement prior to the expiration of 5 business day period, or offered to provide different terms to Plaintiff if Plaintiff signs this Agreement prior to the expiration of the 5 business day period.

21. Arbitration. Except for claims for emergency equitable or injunctive relief which cannot be timely addressed through arbitration, the Parties hereby agree to submit any claim or dispute arising out of the terms of this Agreement to private and confidential arbitration by a single neutral arbitrator with Judicial Arbitration and Mediation Services, Inc. ("JAMS"). The JAMS Streamlined Arbitration Rules and Procedures will also govern the arbitration proceedings between the Parties, which shall take place in Orange County, California. The arbitrator in this matter shall not have the power to modify any of the provisions of this Agreement. The decision of the arbitrator shall be final and binding on all Parties to this Agreement, and judgment thereon may be entered in any court having jurisdiction. The Parties shall split the arbitrator's fee, and shall bear their own attorneys' fees and costs.

22. Entire Agreement. This Agreement sets forth the entire agreement between the Parties hereto, and fully supersedes any prior agreements or understandings between the Parties concerning the subject matter contained therein. Plaintiff acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with his decision to accept this Agreement, except for those set forth in this Agreement.

23. Acknowledgment. By signing the Agreement, Plaintiff acknowledges that he has read this Agreement, fully understands the contents of this Agreement, freely, voluntarily, and without coercion enters into this Agreement, and is signing it with full knowledge that it is intended, to the maximum extent permitted by law, as a complete release and waiver of any and all claims.

24. Voluntary Agreement. The Parties are voluntarily entering into this Agreement free of any duress or coercion. The Parties have full authority to enter into this Agreement and to be bound by it. The Parties were advised to, have had the opportunity to, and did consult with legal counsel of their own choosing with respect to the execution and legal effect of this Agreement.

25. Severability. In the event that any provision of this Agreement is held to be void, null or unenforceable, the remaining portions shall remain in full force and effect.

26. Modification. This Agreement cannot be modified in any respect except in a written instrument signed by both Parties.

27. Fees and Costs. The Parties agree that they shall bear their own attorneys' fees and costs incurred in connection with this matter. In the event of a breach, the breaching party shall pay the non-breaching party's reasonable attorneys' fees and costs.

28. Drafting. Any uncertainty or ambiguity in the Agreement shall not be construed for or against any party based on the attribution of drafting to any party.

29. Counterparts. This Agreement may be executed by the Parties in counterparts, which are defined as duplicate originals, all of which taken together shall be construed as one document. A signature by facsimile or email on this Agreement shall be as legally binding as an original signature.

30. Governing Law. This Agreement shall be governed and conformed in accordance with the laws of the State of California, without regard to its conflicts of law principles.

31. Effective Date: As defined herein, the "Effective Date" is the date by which Lenox's counsel is provided with an original Agreement executed by Plaintiff and a completed IRS W-9 Form.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

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Executed on July __, 2022 by:

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Max Abrams
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PLAINTIFF MAX ABRAMS

Executed on July 13, 2022 by:

W. Hoaglund
DEFENDANT LENOX FINANCIAL MORTGAGE CORPORATION
WESLEY HOAGLUND, CEO