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and all others similarly situated

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

ANTHONY MORRIS, on behalf of himself
and all others similarly situated,

Plaintiff,

v.

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY, an Indiana
Corporation; LINCOLN NATIONAL
CORPORATION, an Indiana Corporation;
and DOES 1 Through 10, Inclusive,

Defendants.

Case No. 22STCV20426

ASSIGNED FOR ALL PURPOSES TO:

The Honorable Lawrence P. Riff

Department SS7

CLASS AND REPRESENTATIVE ACTION

**SUPPLEMENTAL DECLARATION OF
MARTA MANUS IN SUPPORT OF MOTION
FOR ORDER GRANTING PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: November 1, 2023

Time: 3:00 p.m.

Dept: SS 7

Judge: Lawrence P. Riff

Complaint filed: June 22, 2022

Trial date: Not set

1 I, Marta Manus, declare as follows:

2 1. I am an Associate with the law firm of Cohelan Khoury & Singer, co-counsel of
3 record for Plaintiff and the Settlement Class. I submit this Supplemental Declaration in Support
4 of Plaintiff's Motion for Order Granting Preliminary Approval of Class Action Settlement. The
5 following facts are within my personal knowledge and if called to testify I could and would
6 competently testify to them.

7 2. On August 9, 2023, the Court issued a Minute Order on Plaintiff's Motion for
8 Order Granting Preliminary Approval of Class Action Settlement, ("Minute Order"), continuing
9 the hearing to allow for supplemental filing to address the Court's concerns and to provide
10 additional information.

11 3. Plaintiff now responds to each point identified in the Court's Minute Order and
12 checklist. The Amended Class Action and PAGA Settlement Agreement and Class Notice
13 ("Agreement" or "SA") is attached hereto as Exhibit 1 (Exh. A - Notice of Class Action
14 Settlement; Exh. B – April 29, 2022 PAGA Notice).

15 4. For the Court's convenience, redline versions reflecting changes to the Agreement
16 and Notice of Class Action Settlement are attached as Exhibit 2.

17 5. In assessing whether the Settlement is fair, reasonable, and adequate, the Court
18 may balance the amount in penalties with the risks of further litigation. Here, Plaintiff obtained a
19 meaningful amount in PAGA civil penalties despite facing significant challenges and risks had
20 the litigation continued. Plaintiff considered several factors in reaching the decision to settle at
21 this point in the litigation, including (a) the risk that the Court would strike all or parts of
22 Plaintiff's claims on manageability grounds given the current split of authority as to whether the
23 court has inherent power to strike PAGA claims on manageability grounds; (b) the risk and
24 uncertainty in proving liability and PAGA penalties at trial; (c) the prospect that the Court could
25 substantially reduce any award of civil penalties on the grounds that "to do otherwise would result
26 in an award that is unjust, arbitrary and oppressive, or confiscatory," pursuant to Labor Code §
27 2699(e)(2); and (d) the risk that Defendants would appeal any unfavorable judgment. Continued
28 litigation would be an expensive, time-consuming and extremely uncertain proposition, and could

1 lead to an unfavorable judgment and/or a lengthy and unsuccessful appeal.

2 6. The Settlement as a whole (hybrid settlement) achieves the remedial and deterrent
3 purposes of the PAGA and the Labor Code statutes at issue while ensuring most money flows
4 into the hands of Class Members. The \$25,000 allocated to PAGA penalties represents 5% of the
5 \$500,000 settlement. This amount is consistent with PAGA's goal of penalizing Defendants for
6 the alleged violations, deterring future violations, and providing a benefit to the public through
7 enforcement of state labor laws. The amount allocated to PAGA penalties provides a substantial
8 benefit to the State of California, with the LWDA receiving \$18,750, as 75 percent of the PAGA
9 penalties to assist with future enforcement of state labor laws. The Settlement also provides a
10 benefit to the Aggrieved Employees, who will share approximately \$6,250 as 25 percent of the
11 Net Settlement Amount.

12 7. Here, there are approximately 179 Aggrieved Employees who worked an
13 aggregate 5,124 pay periods during the PAGA Period, yielding approximately \$1.22 per pay
14 period.

15 8. Furthermore, at the time of Settlement, the issue of whether PAGA has
16 manageability requirement has not been adjudicated by the California Supreme Court. If a
17 manageability requirement is imposed, this increases the chances of no recovery. Accordingly,
18 the amount allocated to PAGA penalties fulfills the underlying purposes of the statute and confers
19 a benefit to the public.

20 9. The Agreement has been revised so "Class Counsel" means Cohelan Khoury &
21 Singer and the Majarian Law Group, APC. Sahag Majarian, on behalf of the Majarian Law Group,
22 has signed the Agreement.

23 10. The Court asked that all the PAGA Notice submitted to the LWDA be submit to
24 the Court. Attached as Exhibit B to the Agreement is a true and correct copy of the PAGA Notice
25 submitted on April 29, 2022, and confirmation of receipt by the LWDA.

26 11. Class members perform duties which require reading instructions in English and
27 communicating in English. The Parties agree class members are able to read and understand
28 English and translation is unnecessary.

1 12. On April 13, 2022, Plaintiff executed an Agreement for Services of Attorneys,
2 consenting to an apportionment of attorney's fees to be split between Cohelan Khoury & Singer
3 (50%) and Majarian Law Group, APC (50%).

4 13. "Class I" Members are now limited to the Class Period and defined as: all persons
5 employed by Defendants (exempt and nonexempt) in California who worked from home pursuant
6 to Defendants' alleged policy or practice requiring them to do so at any time during the Class
7 Period.

8 14. Both the Class Period and PAGA Period have been given a definitive end date of
9 May 17, 2023.

10 15. The Participating Class Member and Aggrieved Employee release language in the
11 Agreement has been revised to better detail the claims being releases and has been limited to those
12 claims alleged in the operative Second Amended Complaint.

13 16. Plaintiff worked for Defendant in an exempt salaried position until July 2020 and
14 then moved into a non-exempt position until his employment ended in February 2022. Therefore,
15 Plaintiff is a member of both Class I and Class II and fits the definition of each of the two classes
16 (i.e. subclasses).

17 17. Class I includes approximately 231 *exempt and non-exempt* employees who
18 worked from home during the Class Period.

19 18. Plaintiff contends Defendant failed to reimburse employees who worked from
20 home for reasonably incurred business expenses such as high-speed internet, office supplies, cell
21 phone usage, and office furniture.

22 19. Class II includes approximately 69 non-exempt employees, who are also included
23 in Class I for the expense reimbursement claim.

24 20. Plaintiff contends these 69 non-exempt employees who comprise Class II have
25 claims for failure to pay all wages due, failure to provide meal and rest periods, failure to provide
26 accurate itemized wage statements, and failure to timely pay all wages due upon termination.

27 21. Seventy percent (70%) of the Net Settlement Amount is allocated to Class I and
28 thirty percent (30%) is allocated to Class II.

22. T The monetary distribution is allocated as such in part based on the size of the Classes (Class I is over three times the size of Class II), the strength of the claims asserted on behalf of each Class and the fact that the non-exempt employees in Class II are also receiving a portion of the amount allocated to Class I because they are members of both Classes.

23. The claim for failure to reimburse business expenses brought only on behalf of Class I (exempt and non-exempt employees) is arguably the strongest claim in the case because Plaintiff contends that Defendant did not reimburse remote employees for many of the business expenses for which Plaintiff sought reimbursement.

24. For mediation, Defendant provided Plaintiff's counsel with detailed expense reimbursement data showing precise amounts paid for various expenses incurred, which allowed Plaintiff's expert to readily assess the additional amounts Plaintiff contends were owed.

25. Additionally, Plaintiff contends Defendant maintained a uniform, company-wide expense reimbursement policy providing for reimbursement of specific business-related expenses, which supports certification of Class I given that all members of this Class were subject to the same written policy and uniform practice, making Class I's expense reimbursement claim more likely to be certified.

26. The claims alleged on behalf of Class II (non-exempt employees) were significantly more challenging to prove on a class wide basis.

27. . Plaintiff's claim for unpaid wages was based on Defendant's alleged practice of rounding (or self-rounding) rather than recording the actual hours worked, a practice that Defendant changed in January 2023.

28. Whether employers are permitted to use a neutral time-rounding practices was unresolved at the time of Settlement and is currently pending review. The claim for failure to unpaid overtime wages due to miscalculation of the regular rate of pay was based on Plaintiff's contention that Defendant should have included non-discretionary compensation such as annual incentive income payments into the regular rate of pay when calculating the overtime rate. Although Plaintiff contends Defendant did not include these payments in the regular rate, the court could find that the incentive payments were (1) based on a percent of total earnings that

1 already included overtime or (2) discretionary and thus not required to be included in the regular
2 rate. This claim amounted to a total of \$1,754.00 in underpaid overtime wages.

3 29. Lastly, Plaintiff's meal and rest period claim brought on behalf of Class II was
4 based on the allegation that due to the requirement to meet daily quotas, Plaintiff, at times, worked
5 through and had to forego uninterrupted meal and rest periods.

6 30. This claim could prove to be challenging on a class-wide basis given that
7 Defendant maintained compliant written meal and rest period policies. Proving liability would
8 require anecdotal evidence in the form of declarations from putative class members and the court
9 could find that these claims were not amenable to class treatment because whether class members
10 had similar challenges meeting daily quotas and taking uninterrupted meal and rest breaks would
11 require an individualized inquiry. Thus, the claims asserted by Plaintiff on behalf of Class II were
12 the most challenging claims for liability and class certification purposes, supporting the monetary
13 distribution allocated to Class I and Class II.

14 31. The Class Notice has been revised to be consistent with the revisions made to the
15 releases in the Agreement, as well as to include the case name and number.

16 32. The Proposed Order, filed herewith, has been revised to incorporate references
17 the supplemental briefing. Attached as Exhibit 3 is a redline copy of the Proposed Order.

18 33. On the same date this declaration and supplemental briefing are filed with the
19 Court, they will be served upon Defendant and provided to the Labor and Workforce
20 Development Agency ("LWDA") via the LWDA's website, [www.dir.ca.gov/Private-Attorneys-](http://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act)
21 [General-Act/Private-Attorneys-General-Act](http://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act)., using the appropriate intake form. Attached as
22 Exhibit 4 is a true and correct copy of the LWDA confirmation of Receipt.

23 I declare under the penalty of perjury under the laws of the State of California the
24 foregoing is true and correct and this declaration is executed October 10, 2023, in San Diego,
25 California.



26
27 Marta Manus

EXHIBIT 1

AMENDED CLASS ACTION AND PAGA SETTLEMENT

AGREEMENT AND CLASS NOTICE

This Amended Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Anthony Morris (“Plaintiff”) and defendants The Lincoln National Life Insurance Company and Lincoln National Corporation (collectively, “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants entitled *Anthony Morris v. The Lincoln National Life Insurance Company, et al.*, case number 22STCV20426, filed in Superior Court of California, County of Los Angeles.

1.2 “Administrator” means CPT Group, 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 Preliminary Approval of the Settlement.

1.4 “Aggrieved Employees” mean all employees (exempt and non-exempt) employed by Defendants in the State of California at any time during the PAGA Period. No employee may opt out of being an Aggrieved Employee.

1.5 “Class” means Class I and Class II, collectively.

1.6 “Class I” means all persons employed by Defendants (exempt and nonexempt) in California who worked from home pursuant to Defendants’ alleged policy or practice requiring them to do so during the Class Period.

1.7 “Class II” means all persons employed by Defendants in California as non-exempt employees during the Class Period.

1.8 “Class Counsel” means Cohelan Khoury & Singer and Majarian Law Group, APC.

1.9 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Actions.

1.10 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Period Pay Periods.

1.11 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.12 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.13 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.14 “Class Period” means June 22, 2018 through May 17, 2023.

1.15 “Class Period Workweek(s)” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

1.16 “Class Representative” mean the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.17 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Actions and providing services in support of the Actions.

1.18 “Court” means the Superior Court of California, County of Los Angeles.

1.19 “Defendants” means named Defendants The Lincoln National Life Insurance Company and Lincoln National Corporation.

1.20 “Defense Counsel” means Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

1.21 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.22 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.23 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.24 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.25 “Gross Settlement Amount” means \$500,000 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

1.26 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Class Period Workweeks for Class I and Class II, as set forth in Section 3.2.4 below.

1.27 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Period Pay Periods.

1.28 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.29 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.30 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.31 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.32 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.33 “Operative Complaint” means the operative complaint in the Action.

1.34 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35 “PAGA Notice” means Plaintiff’s letter(s) to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a). A copy of Plaintiff’s April 29, 2022 PAGA Notice is attached as Exhibit B and incorporated by reference into this Agreement.

1.36 “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 the 75% to LWDA in settlement of PAGA claims.

1.37 “PAGA Period” means the period from April 29, 2021 through May 17, 2023.

1.38 “PAGA Period Pay Period(s)” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.40 “Plaintiff” means Anthony Morris, the named plaintiff in the Action.

1.41 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement. Preliminary.

1.42 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.43 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.44 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.45 “Released Parties” means: Defendants, and each of their former and present directors, officers, shareholders, owners, members, employees, managing agents, attorneys, insurers, predecessors, successors, assigns, and Defendants’ subsidiaries, affiliates, and or related companies.

1.46 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.47 “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and will be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator will have an additional 14 calendar days beyond the date the Response Deadline has expired. The timeliness of submitted Request for Exclusion Forms will be determined by valid postmark.

1.48 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

2. RECITALS.

Plaintiff commenced the Action on June 22, 2022 against Defendants. Plaintiff subsequently filed a First Amended Complaint, adding claims under PAGA. Then on March 8, 2023, Plaintiff filed a Second Amended Complaint. In the operative complaint, Plaintiff alleges 1) failure to reimburse business expenses, 2) failure to pay all wages, 3) failure to pay overtime wages, 4) meal period violations, 5) rest period violations, 6) failure to provide accurate itemized wage statements, 7) failure to provide sick pay, 8) waiting time penalties and 9) Unfair Competition Law violations; and PAGA penalties for: 10) failure to reimburse business expenses, 11) failure to pay all wages, 12) meal period violations, 13) rest period violations, 14) inaccurate wage statements, 15) failure to provide sick pay, 16) failure to provide wages at separation, and 17) failure to maintain accurate records. Defendants deny the allegations in the in the Operative Complaint of the Action, deny any failure to comply with the laws identified in the Operative Complaint of the Actions, and deny any and all liability for the causes of action alleged in the Operative Complaint of the Action.

2.1 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave written notice to Defendants and the LWDA by sending the PAGA Notice.

2.2 On February 16, 2023, the Parties participated in a day mediation presided over by Lou Marlin, Esq. The case settled at mediation.

2.3 Prior to mediation, Plaintiff obtained, through informal discovery, statistical data regarding the Aggrieved Employees and Class Members, payroll records, time records, and employment policies and records. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.4 The Court has not granted class certification.

2.5 The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below Defendants agree to pay \$500,000.00 and no more as the Gross Settlement Amount (except as stated below in Paragraph 8 if the Escalator Clause is triggered) and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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 Final Approval:

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500 to the Class Representative (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33.33%, which is currently estimated to be \$166,650, and a Class Counsel Litigation Expenses Payment of not more than \$12,000. Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less

than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties will have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$9,000, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$9,000, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated as follows: 70% of the Net Settlement Amount shall be allocated to Class I and 30% of the Net Settlement Amount shall be allocated to Class II. For Class I, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class I by the total number of Class Period Workweeks worked by all Participating Class Members in Class I during the Class Period and (b) multiplying the result by each Participating Class Members in Class I's Class Period Workweeks. For Class II, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class II by the total number of Class Period Workweeks worked by all Participating Class Members in Class II during the Class Period and (b) multiplying the result by each Participating Class Members in Class II's Class Period Workweeks. The allocation of the Net Settlement Amount between Class I and Class II represents the strengths of the claims brought on behalf of each Class. Plaintiff is a member of Class I and Class II.

3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.5.1 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 Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of an amount different from the amount requested, the Administrator will allocate the difference to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Workweeks. Based on a review of its records to date, Defendants estimate there are approximately 231 Class Members who collectively worked a total of approximately 27,662 Workweeks through January 23, 2023, and approximately 179 Aggrieved Employees who worked a total of approximately 5,124 PAGA Period Pay Periods through January 23, 2023.

4.2 Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. The Class Data will not be shared with Plaintiff and Class Counsel unless expressly approved by Defendants and Defense Counsel or if a Class Member requests that their personal data be shared with Class Counsel. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class 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 Class Data.

4.3 Funding of Gross Settlement Amount. Defendants will fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration

Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment will not precede disbursement of Individual Class Payments and Individual PAGA Payments.

- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check will prominently state the date (not less than 180 days after the date of mailing) when the check will be voided, which will be 180 days (hereinafter "Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator will promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator will transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments will not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff,

Class Members, Aggrieved, Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. In addition to the claims released under Sections 5.2 and 5.3 below, Plaintiff and Plaintiff's former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, agree to a general release of any and all claims, transactions, or occurrences against Released Parties—which will include without limitation any and all claims which in any way relate to Plaintiff's employment with Defendants, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA, ADEA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, and workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release will be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period factual allegations stated in the Operative Second Amended Complaint filed March 8, 2023, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, Labor Code Sections 2802, 2804 (Class I Members), 2) failure to pay all wages, Labor Code §§1194, 1194.2, 510 (Class II Members), 3) failure to pay overtime wages, Labor Code §§1194, 510 (Class II Members), 4) meal period violations, Labor Code §§512, 226.7 (Class II Members), 5) rest period violations, Labor Code §226.7 (Class II Members), 6) failure to provide accurate itemized wage statements, Labor Code §226 (Class II Members), 7) failure to provide sick pay, Labor Code §246 (Class II Members), 8) waiting time penalties, Labor Code §§201-203 (Class II Members), and 9) Unfair Competition Law violations, Bus. & Prof. Code §§ 17200, *et seq.* (Class I and Class II Members). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair

Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees 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 that were alleged, or reasonably could have been alleged, based on the PAGA Period factual allegations stated in the Operative Second Amended Complaint filed March 8, 2023, the April 29, 2022 PAGA Notice, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, Labor Code Sections 2802, 2699(f)(2) (Aggrieved Employees), 2) failure to pay all wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 3) failure to pay overtime wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 4) meal period violations, Labor Code §§512, 226.7, 2699(f)(2) (Aggrieved Employees), 5) rest period violations, Labor Code §§226.7, 2699(f)(2) (Aggrieved Employees), 6) failure to provide accurate itemized wage statements, Labor Code §§226, 2699(f)(2) (Aggrieved Employees), 7) failure to provide sick pay, Labor Code §246, 2699(f)(2) (Aggrieved Employees), 8) failure to timely pay all wages upon separation and during employment, Labor Code §§201-204, 2699(f)(2) (Aggrieved Employees), and 9) failure to maintain accurate records, Labor Code §§1174, 2699(f)(2) (Aggrieved Employees).

6. MOTION FOR PRELIMINARY APPROVAL.

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and email to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; (vi) 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))); (vii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration will aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class 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 Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class 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 CPT Group to serve as the Administrator and verified that, as a condition of appointment, 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. The Parties and their 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 will have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

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

7.4 Notice to Class Members.

7.4.1 No later than five (5) business days after receipt of the Class Data, the Administrator will notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Class Period Workweeks, and PAGA Period Pay Periods.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit 1. The first page of the Class Notice will prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Class Period Workweeks and PAGA Period Pay Periods (if applicable) used to

calculate these amounts. Before mailing Class Notices, the Administrator will update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator will re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator will conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, Challenges to workweeks, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator will accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination will be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity will be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and will not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member will have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Period Workweeks and PAGA Period Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator will promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel (with identifying information other than names redacted) and the Administrator's determination of the challenges. All workweek challenges will be resolved by the Administrator, with consultation with Defense Counsel and/or Class Counsel as appropriate. The Administrator's determination of each Class Member's allocation of Class Period Workweeks and/or PAGA Period Pay Periods will be final and not appealable or otherwise susceptible to challenge.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed). If a Participating Class Member submits both a Request for Exclusion and an Objection, the Objection shall be ignored, and the Request for Exclusion shall be deemed controlling.

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 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.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator will email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid), with (for all of the above) personal identifying information other than names redacted.

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek Challenges. The Administrator has the authority to address and make decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of workweeks. All workweek challenges will be resolved by the Administrator, with consultation with Defense Counsel and/or Class Counsel as appropriate. The Administrator’s decision will be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its

mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.

As of January 23, 2023, Defendants calculated that from June 22, 2018 to that date, there were approximately 231 exempt and nonexempt employees that would be part of Class I and they worked approximately 27,662 workweeks. For the same period, there were approximately 69 nonexempt employees that would be part of Class II and they worked approximately 4,176 workweeks (the nonexempt employees in Class II overlap with Class I). If the size of the Class I workweeks during the Class Period exceeds 27,662 by more than 10%, the Gross Settlement Amount will increase by a proportionate percentage (i.e., if the Class I workweeks increased by 12%, the Gross Settlement Amount would increase by 2%). In the alternative, Defendants may elect to shorten the Class Period in order to stay within the 10% cushion.

9. DEFENDANTS' RIGHT TO WITHDRAW.

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 7.5% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement will be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 10 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL.

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff will provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person

or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment will not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, following entry of the Final Order and Judgement, the Court shall retain jurisdiction under California Code of Civil Procedure section 664.6 with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement will be null and void. The Parties will nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel will not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and 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).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph will be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 No Publicity. Plaintiff and Plaintiff's Counsel will not contact the media about the settlement or respond to any inquiries by the media regarding the Settlement, other than to state that the matter was amicably settled, and the Court did not find Defendants liable. Plaintiff and

their respective Counsel also will not post any information about the settlement on social media or their firms' websites.

12.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits will 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.

12.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, 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.

12.7 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 the Settlement Agreement, 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.

12.8 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 Party in this Settlement.

12.9 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor will 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.

12.10 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.

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

12.12 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.

12.13 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.

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

12.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants.

12.16 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.

12.17 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement will 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 will be on the first business day thereafter.

12.18 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:	TO DEFENDANTS:
Isam C. Khoury Michael D. Singer Marta Manus Rosemary C. Khoury COHELAN KHOURY & SINGER 605 C Street, Suite 200 San Diego, CA 92101 Tel. 619-595-3001 Fax 619-595-3000	Jesse C. Ferrantella Cameron. O. Flynn OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. 4660 La Jolla Village Dr., Suite 900 San Diego, CA 92122 Tel: 858-652-3100 Fax: 858-652-3101

12.19 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 will 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.

12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation for all Actions will be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process, beginning on the date of execution of this Agreement.

PLAINTIFF	
Date: 10/9/2023	
	Anthony Morris

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	
Date:	
	By:
	Its:
LINCOLN NATIONAL CORPORATION	
Date:	
	By:
	Its:

APPROVED AS TO FORM AND CONTENT:

COUNSEL FOR PLAINTIFF AND DEFENDANTS	
Date:	
	Isam C. Khoury Michael D. Singer Marta Manus Rosemary C. Khoury COHELAN KHOURY & SINGER
Date:	_____ Sahag Majarian MAJARIAN LAW GROUP, APC
Date:	
	Jesse C. Ferrantella Cameron O. Flynn OGLETREE, DEAKINS, NASH, SMOAK, & STEWART, P.C.

PLAINTIFF	
Date:	
	Anthony Morris

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	
Date: 10/10/23	
	By: Adrian Butler Its: SVP, Human Resources
LINCOLN NATIONAL CORPORATION	
Date: 10/10/23	
	By: Adrian Butler Its: SVP, Human Resources

APPROVED AS TO FORM AND CONTENT:

COUNSEL FOR PLAINTIFF AND DEFENDANTS	
Date:	
	Isam C. Khoury Michael D. Singer Marta Manus Rosemary C. Khoury COHELAN KHOURY & SINGER
Date:	Sahag Majarian MAJARIAN LAW GROUP, APC
Date: October 10, 2023	
	Jesse C. Ferrantella Cameron O. Flynn OGLETREE, DEAKINS, NASH, SMOAK, & STEWART, P.C.

PLAINTIFF	
Date:	
	Anthony Morris

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	
Date:	
	By: Its:
LINCOLN NATIONAL CORPORATION	
Date:	
	By: Its:

APPROVED AS TO FORM AND CONTENT:

COUNSEL FOR PLAINTIFF AND DEFENDANTS	
Date: 10/9/2023	 Isam C. Khoury Michael D. Singer Marta Manus Rosemary C. Khoury COHELAN KHOURY & SINGER
Date: 10/9/2023	 Sanag Majarian MAJARIAN LAW GROUP, APC
Date:	Jesse C. Ferrantella Cameron O. Flynn OGLETREE, DEAKINS, NASH, SMOAK, & STEWART, P.C.

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Morris. v. The Lincoln National Life Insurance Company, et al.
Superior Court of California – Los Angeles
Case No. 22STCV20426

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from a class action lawsuit (“Action”) against The Lincoln National Life Insurance Company and Lincoln National Corporation (“Defendants”) for alleged wage and hour violations. The Action was filed by former employee Anthony Morris (“Plaintiff”) and seeks recovery for penalties and reimbursement for all persons employed by Defendants (exempt and nonexempt) in California who worked from home pursuant to Defendants’ alleged policy or practice requiring them to do so during the Class Period; and recovery of wages, reimbursements, and penalties for all persons employed by Defendants in California as non-exempt employees during the Class Period. Specifically, there are two classes. “Class I” means all persons employed by Defendants (exempt and nonexempt) in California who worked from home pursuant to Defendants’ alleged policy or practice requiring them to do so during the Class Period. “Class II” means all persons employed by Defendants in California as non-exempt employees during the Class Period. The “Class Period” is from June 22, 2018 to **May 17, 2023**. For both groups, Plaintiff seeks penalties under the California Private Attorney General Act (“PAGA”) for all persons (exempt and nonexempt) employed by Defendants during the “PAGA Period,” which is from April 29, 2021 to **May 17, 2023** (Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants’ to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ADD (less withholding) and your Individual PAGA Payment is estimated to be \$ ADD**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked ADD workweeks** during the Class Period and **you worked ADD pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants

to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

1. Do Nothing. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period claims and PAGA Period penalty claims against Defendants.

2. Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is DATE	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by DATE	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on DATE. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by DATE	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you may challenge it by DATE. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action alleges Defendants violated California labor laws by failing to reimburse business expenses, pay all wages, pay overtime wages, provide complaint meal periods, provide complaint rest periods, provide accurate itemized wage statements, provide sick pay, and failure to timely pay all wages during employment and upon separation of employment, and violated California’s Unfair Competition Law. Plaintiff seeks PAGA penalties for: failure to reimburse business expenses, failure to pay all wages (including overtime wages), meal period violations, rest period violations, inaccurate wage statements, failure to provide sick pay, failure to timely pay all wages upon separation and during employment, and failure to maintain accurate records. Plaintiff is represented by following attorneys in the Action: Cohelan Khoury & Singer (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Plaintiff or Defendants are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$500,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$166,650 (33.33% of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$12,000 for their litigation expenses. To date, Class Counsel has worked and incurred expenses on the Action without payment.
- B. Up to \$7,500 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$9,000 to the Administrator for services administering the Settlement.

- D. Up to \$25,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Defendants will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Unclaimed Property Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **DATE**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants

have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, CPT Group (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their related entities based on the claims resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period factual allegations stated in the Operative Second Amended Complaint filed March 8, 2023, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, Labor Code Sections 2802, 2804 (Class I Members), 2) failure to pay all wages, Labor Code §§1194, 1194.2, 510 (Class II Members), 3) failure to pay overtime wages, Labor Code §§1194, 510 (Class II Members), 4) meal period violations, Labor Code §§512, 226.7 (Class II Members), 5) rest period violations, Labor Code §226.7 (Class II Members), 6) failure to provide accurate itemized wage statements, Labor Code §226 (Class II Members), 7) failure to provide sick pay, Labor Code §246 (Class II Members), 8) waiting time penalties, Labor Code §§201-203 (Class II Members), and 9) Unfair Competition Law violations, Bus. & Prof. Code §§ 17200, *et seq.* (Class I and Class II Members).

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA claims resolved by this Settlement. The Aggrieved Employees’ Releases are as follows:

All Aggrieved Employees 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 that were alleged, or reasonably could have been alleged, based on the PAGA Period factual allegations stated in the Operative Second Amended Complaint filed March 8, 2023, the April 29, 2022 and April 22, 2023 PAGA Notices, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses,

Labor Code Sections 2802, 2699(f)(2) (Aggrieved Employees), 2) failure to pay all wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 3) failure to pay overtime wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 4) meal period violations, Labor Code §§512, 226.7, 2699(f)(2) (Aggrieved Employees), 5) rest period violations, Labor Code §§226.7, 2699(f)(2) (Aggrieved Employees), 6) failure to provide accurate itemized wage statements, Labor Code §§226, 2699(f)(2) (Aggrieved Employees), 7) failure to provide sick pay, Labor Code §246, 2699(f)(2) (Aggrieved Employees), 8) failure to timely pay all wages upon separation and during employment, Labor Code §§201-204, 2699(f)(2) (Aggrieved Employees), and 9) failure to maintain accurate records, Labor Code §§1174, 2699(f)(2) (Aggrieved Employees).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments as follows: 70% of the Net Settlement Amount shall be allocated to Class I and 30% of the Net Settlement Amount shall be allocated to Class II. For Class I, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class I by the total number of Class Period Workweeks worked by all Participating Class Members in Class I during the Class Period and (b) multiplying the result by each Participating Class Members in Class I's Class Period Workweeks. For Class II, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class II by the total number of Class Period Workweeks worked by all Participating Class Members in Class II during the Class Period and (b) multiplying the result by each Participating Class Members in Class II's Class Period Workweeks.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek Challenges. The number of Class Period Workweeks and/or PAGA Period you worked, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **DATE** to challenge the number of workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of workweeks based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Morris v. Lincoln National Life Insurance Company*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by DATE, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website or the Court's website.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is DATE.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Morris v. Lincoln National Life Insurance Company* and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **DATE** at **TIME** in Department SS7 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website at: **SITE** beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Plaintiff and Defendants have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to CPT Group's website at **SITE**. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22STCV20426. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Attorney: Marta Manus

Email Address: mmanus@ckslaw.com

Name of Firm: COHELAN KHOURY & SINGER

Mailing Address: 605 C Street, Suite 200

Telephone: 619-595-3001

Settlement Administrator:

Name of Company: CPT Group

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your

check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT B

COHELAN KHOURY & SINGER

A PARTNERSHIP OF PROFESSIONAL LAW CORPORATIONS

TIMOTHY D. COHELAN, APLC*
ISAM C. KHOURY, APC
DIANA M. KHOURY, APC
MICHAEL D. SINGER, APLC•

(*Also admitted in the District of Columbia)
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JEFF GERACI
J. JASON HILL†
KRISTINA DE LA ROSA
ROSEMARY C. KHOURY

(† Also admitted in Illinois)

April 29, 2022

NOTICE VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

The Lincoln National Life Insurance Company
1300 South Clinton Street
Fort Wayne, IN 46802

Lincoln National Life Insurance Co.
PO Box 21008
Greensboro, NC 27420-1008

Lincoln Financial Group
1300 South Clinton Street
Fort Wayne, IN 46802

Re: NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE SECTION 2699.3

This letter shall serve as Anthony Morris' (hereafter "Claimant") *Notice* pursuant to the California Private Attorneys General Act ("PAGA"), California Labor Code sections 2698, *et seq.* regarding his wage and hour claims against Lincoln Financial Group and/or The Lincoln National Life Insurance Company and/or Lincoln National Life Insurance Co. (collectively referred to herein as "the Employer."). Claimant submits this notice on behalf of himself and all current and former exempt and/or non-exempt employees of the Employer in California who during the one year preceding the date of this notice suffered one or more of the violations described herein (collectively referred to as "aggrieved employees").

Claimant and other aggrieved employees were subject to the same policies and practices alleged herein which impermissibly denied aggrieved employees their rights pursuant to the California Labor Code and caused violation of the Labor Code as set forth below.

FACTUAL ALLEGATIONS

Claimant worked for the Employer as a Sr. Adminr, GP Sales Support from approximately February 19, 2019 until on or about February 4, 2022.

At all relevant times at least one year prior to the date of this Notice, the Employer subjected Claimant and aggrieved employees to policies and practices which caused the violations of the Labor Code as described herein.

The Employer failed to pay any wages for this time spent working and under the direction and control of the Employer. The Employer failed to pay Claimant and aggrieved employees all minimum, regular, and overtime wages for all applicable hours of work, including the time spent working off the clock and due to unlawful rounding of hours worked. Employer maintained a policy which discouraged or prohibited working overtime. Due to deadlines and pressure to produce, Claimant and other aggrieved employees were often required to work off the clock in order to meet productivity requirements and to avoid working unauthorized overtime. Off the clock work also included working before and after schedule start and end times and working through meal periods. Additionally, Claimant and other employees often submitted hours worked to their managers. Hours worked would be inputted only based off the scheduled hours and not actual hours worked in order to avoid the payment of overtime. Finally, the Employer requires employees to spend time working returning computers and work related items upon separation of employment. Though this time is spent at the direction and control of the Employer, the Employer does not pay any wages for this time spent working. As a result of these practices, the Employer failed to pay all aggrieved employees all minimum, regular, and overtime wages for all of these hours worked.

Additionally, at all times during their employment and at least one year prior to the date of this notice, Claimant and other aggrieved employees were subjected to a uniform policy and practice of unlawful time rounding. That is, the Employer did not pay Claimant and other aggrieved employees precisely for all hours worked. Instead, the Employer rounded their and other aggrieved employees' hours worked which over time, unlawfully favored the Employer and resulted in time lost to the aggrieved employees, including Claimant. This rounding policy was not neutral on its face or in application, and resulted in a cumulative loss of time to the Claimant and other aggrieved employees. The Employer had the ability to pay for the precise hours worked, but opted instead to utilize the rounding policy with no apparent benefit other than to benefit the Employer and deprive employees of payment for all hours worked. As a result, Claimant and other employees were not paid all minimum and regular wages for all hours worked. When Claimant and other aggrieved employees worked overtime, the rounding policy also resulted in the failure to pay all overtime wages for all overtime hours worked.

The Employer further failed to pay all overtime wages for all overtime hours worked because it failed to properly calculate the regular rate of pay for purposes of calculating overtime rates (time and a half- and double-time rates). Claimant and other aggrieved employees were eligible to earn, and did earn, more than one base hourly rates in the same workweek, non-discretionary compensation, including but not limited to, Gift/Awards and Annual income plan bonus. Claimant and other aggrieved employees worked overtime during the same workweek in which they worked at more than one base hourly rate and/or earned additional nondiscretionary compensation. However, all remuneration was not properly calculated into the regular rate of pay and as a result the overtime wages were not calculated using the correct regular rate of pay. Accordingly, the Employer failed to pay all overtime wages owed to Claimant and other aggrieved employees. Additionally, the Employer failed to calculate the correct regular rate of pay for purposes of calculating meal and rest period premium wages and sick pay. As a result, any meal and rest period premium wages and sick pay rates were not paid at the correct pay.

The Employer subjected all aggrieved employees to policies and practices which failed to provide compliant meal and rest periods. The Employer did not maintain a meal and rest period policy applicable to Claimant and other aggrieved employees. Claimant and other aggrieved employees were not authorized and permitted to take lawful rest and meal periods.

Claimant and other aggrieved employees were not provided an opportunity for each shift to take off-duty, timely, uninterrupted meal periods lasting at least 30-minutes. Instead, meal periods were often short (less than 30 minutes), missed entirely or late (after the 5th or 10th hour of work, as applicable). At times, the job demands sometimes required Claimant and other aggrieved employees to have to entirely miss his or her meal periods. The job demands also caused employees to be unable to take timely meal periods because employees were required to continue working. Job demands caused meal periods to be shorter than 30 minutes because employees had to return to work before the end of the full thirty minutes. Claimant and other aggrieved employees were not provided an opportunity to take a second uninterrupted, off-duty, thirty-minute meal period on shifts lasting more than 10 hours.

For the same reasons, Claimant and other aggrieved employees were not provided complaint off-duty, timely and uninterrupted rest periods. At times, the job demands sometimes required Claimant and other employees to have to entirely miss his or her rest periods. The job demands also caused employees to be unable to take timely rest periods because employees were required to continue working. Job demands caused rest periods to be shorter than 10 minutes and/or interrupted because employees had to return to work before the end of the full thirty minutes. Claimant and other aggrieved employees were not provided an opportunity to take a third uninterrupted, off-duty, ten-minute rest period on shifts lasting more than 10 hours.

The Employer never paid one hour of wages at a regular rate of pay for each shift in which non-compliant rest and meal periods were not provided, as required by Labor Code section 226.7 and sections 11 and 12 of the applicable wage order.

Furthermore, the Employer failed to provide sick pay at the proper accrual rates and at the correct regular rate of pay as required by Labor Code section 246.

Furthermore, the Employer failed to provide sick pay at the proper accrual rates and at the correct regular rate of pay as required by Labor Code section 246. Instead of paying sick time at the correct regular rate of pay which factored in all remuneration paid, the Employer only paid employees at his or her base hourly rate of pay in violation of Labor Code section 246. The Employer failed to provide notice to the employees of all sick paid accrued as required by law.

Furthermore, the Employer failed to record (and maintain records) reflecting when the beginning and ending of each shift and work period, including the beginning and ending of each meal period. The Employer further failed to accurately record the total hours worked.

During the relevant time period, the Employer failed to provide reimbursement for all reasonable costs and expenses incurred in direct consequence to their job duties. The Employer failed to maintain an adequate reimbursement policy and further failed to inform aggrieved employees of their right to seek reimbursement for all costs and expenses.

During his employment and the applicable time period, the Employer required Claimant and other aggrieved employees to incur necessary business-related expenditures in direct consequence of the discharge of their duties for the Employer. Claimant and other aggrieved employees incurred expenses for internet, wifi, telephone and/or cellular services, office supplies and the use of a desk and chair. The Employer did not advise employees of their right to receive reimbursement for these expenses, nor did the Employer reimburse Claimant and other aggrieved employees for these necessary expenditures incurred in the direct consequence of the discharge of his duties as an employee of the Employer, in violation of California law.

The Employer failed to provide wage statements to Claimant and other aggrieved employees. The paystubs provided to Claimant and other aggrieved employees did not contain all accurate information as required by Labor Code section 226(a). Because, as described above, the Employer failed to pay all minimum, regular, overtime, sick pay, and all meal and rest premium wages, it failed to accurately set forth the total gross wages earned, net wages earned, total hours worked, and all applicable hourly rates and the total number of hours worked at each rate.

Additionally, separate and independent from the claims for derivative violations of Labor Code section 226, the wage statements were non-compliant and did not contain all the required information. The wage statements did not list the total hours worked, nor did it include the rate of pay and the number of hours worked at each rate. The wage statements did not include the correct name of the employer because it listed "Lincoln National Life Insurance Co." instead of the actual name as reflected in the California Secretary of State's records: "The Lincoln National Life Insurance Company."

During their employment, Claimant were not paid all wages within the time set forth in Labor Code section 204 due to the failure to pay all minimum, regular, and overtime wages and all meal and rest period premium wages as described herein. Additionally, when the Employer paid overtime wages, they were paid later than the payday for the next regular payroll period in violation of Labor Code section 204(b)(1).

Additionally, the Employer failed to pay Claimant the Employer failed to pay Claimant and aggrieved employees within the time required because they did not pay all wages earned as set forth herein. Claimant is informed and believe that the Employer has no policy and/or practice to comply with Labor Code sections 201, 202, and 203 as to all separated employees in California by timely paying final wages and paying waiting time penalty wages when failing to timely pay final wages. On information and belief, Claimant maintains that the Employer maintained a regular practice of failing to pay separated employees within the time requirements of Labor Code sections 201- 20. Even if the Employer did provide employees with the final pay check within the time frame required, they nevertheless failed to pay timely because they did not pay all wages earned as set forth herein. As a result, the Employer is liable for civil penalties for their violation of 201 and 202.

The Employer also did not pay a day's wages for every day final pay was not paid through the date final wages were paid, as required by Labor Code section 203. Thus, aggrieved employees are owed civil penalties due to the Employer's violation of Labor Code 203.

Claimant further allege, based on personal experience and observation, that the violations of the Labor Code described herein were suffered by other current and former employees of the Employer.

FAILURE TO PAY MINIMUM, REGULAR, AND OVERTIME WAGES

(Labor Code Sections 510, 1194, 1197, 1197.1, and 1198, and the “Minimum Wages” and “Hours and Days of Work” Sections of the Applicable Wage Order)

The Employer failed to pay all minimum, regular, and overtime wages required by law.

Labor Code section 226.2 applies to employees who are compensated on a piece-rate basis for any work performed during a pay period. Labor Code section 226.2 (a)(1) states that employees who are compensated on a piece-rate basis, “shall be compensated for rest and recovery periods and other nonproductive time separate from any piece-rate compensation.” The rest and recovery periods shall be paid at a regular hourly rate that is no less than the higher of: a) An average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods or b) the applicable minimum wage. Labor Code section 226.2(a)(3)(A).

Labor Code section 510 provides in pertinent part: “Eight hours of labor constitutes a day’s work. Any work in excess of 8 hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.”

Labor Code section 1197 states: “The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to employees, and the payment of a less wage than minimum wage so fixed is unlawful. This section does not change the applicability of local minimum wage laws to any entity.”

Labor Code section 1198 states: “The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Pursuant to the “Minimum Wages” and “Hours & Days of Work” Sections of the applicable Wage Order, an employer may not pay employees less than the applicable minimum wage for all hours worked, and provides that an employer may not pay non-exempt employees less than the applicable overtime rate for all overtime hours worked.

As set forth in detail above, the Employer violated Labor Code sections 510, 1197, and 1198, and the “Minimum Wages” and “Hours and Days of Work” Sections of the Applicable Wage

Order because they did not pay Claimant and other aggrieved employees all minimum, regular, and overtime wages for all hours worked.

FAILURE TO PROVIDE MEAL AND REST PERIODS

(Labor Code Sections 226.2, 226.7, 512(a), and 1198, and the “Meal Periods” and “Rest Periods”
Sections of the Applicable Wage Order)

As set forth herein, during the time that Claimant performed work for the Employer, the Employer did not provide Claimant and other aggrieved employees all lawful and compliant rest and meal periods, and failed to pay them all required meal and rest premiums due to them under the law.

Labor Code section 226.7(c) states: “If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.” Consequently, Claimant is entitled to receive a one-hour wage premium for each day a compliant meal period was not provided and a one-hour wage premium for each day a compliant rest period was not provided. Claimant intends to pursue all remedies, including recovery of wages, interest, attorney’s fees and costs, and penalties to the extent allowed by law.

Labor Code section 512(a) states: “An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.”

Labor Code section 226.7(b) states: “An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.”

Labor Code section 1198 states: “The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Pursuant to the “Meal Period” Section of the applicable IWC Wage Order, no employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will

complete the day's work the meal period will be waived by mutual consent of the employer and the employee. If an employer fails to provide an employee a meal period in accordance with the applicable provision of the order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

Pursuant to the "Rest Period" Section of the applicable Wage Order, every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. If an employer fails to provide an employee a rest period in accordance with the applicable provision of the order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation of each workday that the rest period is not provided.

As set forth above, the Employer denied Claimant and other aggrieved employees' meal and rest periods due to them under the law. Consequently, the Employer must pay one hour of wages for each day a proper meal period was not properly provided and one hour of wages for each day a rest period was not properly provided. This applies to Claimant and all other aggrieved employees who were not provided with legally compliant meal periods and rest breaks.

FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS
(Labor Code Sections 246(i), 226(a), 226.3, 1198, and 2699, and the
"Records" Section of the Applicable Wage Order)

Labor Code section 226(a) states in pertinent part, "An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing: (1) gross wages earned; (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer. . .; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee... and if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment."

The Wage statements of employees who are compensated on a piece-rate basis during a pay period shall also comply with the requirements of Labor Code section 226.2(a)(2)(A)-(B):

(2) The itemized statement required by subdivision (a) of Section 226 shall, in addition to the other items specified in that subdivision, separately state the following, to which the provisions of Section 226 shall also be applicable:

(A) The total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period.

(B) Except for employers paying compensation for other nonproductive time in accordance with paragraph (7), the total hours of other nonproductive time, as determined under paragraph (5), the rate of compensation, and the gross wages paid for that time during the pay period.

Furthermore, Labor Code section 226(e)(2)(A) states: “An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide a wage statement.”

Labor Code section 226.3 imposes an additional civil penalty on the employer of \$250.00 per employee per violation of Labor Code section 226(a) in an initial citation and \$1,000.00 per employee for each violation in a subsequent citation. In addition, Labor Code section 226(e) imposes a penalty of the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of \$4,000, and Claimant is entitled to an award of costs and reasonable attorney’s fees.

Labor Code section 246(i) further requires that an employer provide employees written notice setting forth the amount of paid sick leave available either on an employee’s wage statement pursuant to Section 226 or in a separate writing on the designated pay date.

The Employer failed to provide Claimant with an accurate, timely itemized wage statement complying with the requirements of the Labor Code and applicable IWC Wage Order. Claimant will pursue all remedies, including recovery of wages, interest, attorneys’ fees and costs, penalties and those provided by the PAGA, to the extent allowed by law, on behalf of themselves and other aggrieved employees of the Employer.

FAILURE TO PROVIDE PAID SICK LEAVE

(Labor Code Sections 246 and 248.5)

Labor Code section 246 grants the right to employees to paid sick days. Specifically, Labor Code section 246(b) states that:

(1) An employee shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment or the operative date of this article, whichever is later, subject to the use and accrual limitations set forth in this section.

(2) An employee who is exempt from overtime requirements as an administrative, executive, or professional employee under a wage order of the Industrial Welfare Commission is deemed to work 40 hours per workweek for the purposes of this section, unless the employee’s normal workweek is less than 40 hours, in which case the employee shall accrue paid sick days based upon that normal workweek.

(3) An employer may use a different accrual method, other than providing one hour per every 30 hours worked, provided that the accrual is on a regular basis so that an

employee has no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period.

(4) An employer may satisfy the accrual requirements of this section by providing not less than 24 hours or three days of paid sick leave that is available to the employee to use by the completion of his or her 120th calendar day of employment.

Cal. Labor Code section 246(l) states: “For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

- (1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.”
- (2) Paid sick time for nonexempt employees shall be calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.

Labor Code section 246(i) further requires that an employer provide employees written notice setting forth the amount of paid sick leave available either on an employee’s wage statement pursuant to Labor Code section 226 or in a separate writing on the designated pay date.

Employer violated Labor Code section 246 because it did not provide no sick leave at the correct rates of pay to Claimant and other aggrieved employees, nor did it provide written notice of the paid sick leave available.

FAILURE TO TIMELY PAY WAGES DUE DURING AND UPON TERMINATION OF EMPLOYMENT

(Labor Code Sections 201, 202, 203, 204, 256, 1198, and 2699, and the “Minimum Wages”
Section of the Applicable Wage Order)

Labor Code section 204(a) states, in pertinent part, “All wages . . . earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays.” Section 204(d) states, “The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.” The “Minimum Wages” Section of the applicable Wage Order further states “every employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period.”

Labor Code section 201 states: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code section 202 states “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.”

Labor Code section 203(a) states, in relevant part, “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days. An employee who secretes or absents himself or herself to avoid payment to his or her, or who refuses to receive the payment when fully tendered to his or her, including any penalty then accrued under this section, is not entitled to any benefit under this section for the time during which he or she so avoids payment.”

Labor Code section 210(a) provides: “(a) In addition to, *and entirely independent and apart from, any other penalty provided in this article*, every person who fails to pay the wages of each employee as provided in Sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, and 1197.5, shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee. (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld.” [Emphasis added.]

Labor Code section 256 states: “The Labor Commissioner shall impose a civil penalty in an amount not exceeding 30 days’ pay as waiting time under the terms of Section 203.”

The Employer failed to timely pay Claimant and other aggrieved employees all wages due and owing during and upon termination of employment. The Employer willfully failed to pay all wages and penalties when required by Sections 201, 202, and 204 of the Labor Code. Therefore, the penalties to all affected employees, including Claimant.

FAILURE TO REIMBURSE EXPENSES (Labor Code §§ 2802 and 2804)

California Labor Code section 2802(a) states: “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.”

Labor Code section 2802(b) states: “All awards made by a Court or by the Division of Labor Standards Enforcement for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss.” The exact amount of interest is in an amount to be proven at time of trial.

Furthermore, Labor Code section 2802(c) states: “For the purposes of this section, the term ‘necessary expenditures or losses shall include all reasonable costs, including, but not limited to, attorney’s fees incurred by the employee in enforcing the rights granted by this section.”

“Any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State.” Cal. Labor Code § 2804.

The Employer failed to fulfill these obligations when it failed to reimburse Claimant and other aggrieved employees for all costs and expenses they incurred while working for the Employer.

CIVIL PENALTIES FOR VIOLATION OF
THE LABOR CODE AND IWC WAGE ORDERS
(Labor Code Sections 558, 558.1, and 1197.1)

Labor Code section 558 subjects any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of Part 2, Chapter 1, of the Labor Code or any provision regulating hours and days of work in any IWC Wage Order to a civil penalty in the amount of \$50 for any initial violation for each pay period in which an employee is underpaid in addition to an amount sufficient to recover underpaid wages, and \$100 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

Labor Code section 558.1(a) states: “Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.”

Labor Code section 1197.1 states that any employer or other person acting either individually or as an officer, agent or employee of another person, which pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty and restitution of wages payable to the employee in an amount of \$100 for the initial violation for each pay period in which an employee underpaid in addition to an amount sufficient to recover underpaid wages, and \$250 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

As set forth above, the Employer violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 510, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order. As a result, the Employer is liable for civil penalties under Labor Code sections 558, 558.1, and 1197.1.

As set forth above, The Lincoln National Life Insurance Company and/or Lincoln National Life Insurance Co. and/or Lincoln Financial Group were the Employer, or other person acting on behalf the employer, and violated, or caused to be violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 203, 226, 226.7, 1194, 2802, 510, 512, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order.

As a result, the Employer is each liable for civil penalties under Labor Code sections 558, 558.1, and 1197.1.

DUTIES OF EMPLOYER

(Labor Code Sections 246(i), 1174, 1174.5, 2751, and 1198 and Section 7 of the Applicable IWC Wage Order)

Labor Code section 1174 describes certain duties of every employer in this state. Subsection (d) of this labor code section requires that payroll records show the hours worked daily by employees and the corresponding wages to be paid for the hours worked. the Employer violated this requirement by its failure to accurately record employee hours worked and/or paid. Labor Code section 1174.5 imposes a civil penalty of \$500 for an employer's failure to maintain accurate and complete records. This civil penalty is addition to the civil penalty of \$100 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code section 2699 for a violation of Labor Code section 1174 (d). Furthermore, Claimant and all other current and former employees are entitled to collect 25% of the penalty imposed pursuant to Section 2699.

Section 7 of the IWC wage order also states:

(A) Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.
- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

Labor Code section 2751 further requires that employers provide its commissioned employees with a written agreement detailing how their commissions will be calculated and paid. Employers must also provide a copy of all commission agreements and obtain from each employee a signed receipt.

Labor Code section 246(i) states: "An employer shall provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee's itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee's payment of wages."

The Employer violated the sections 1174, 1198 and section 7 of the applicable IWC Wage order, 246, and 2751 by failing to maintain time records and failing to provide the requisite notices.

ATTORNEY'S FEES, COSTS, INTEREST AND PENALTIES

(Labor Code Sections 218.6, 226(e), 1194, 1194.2, 2699, *et seq.*, and 2802)

Labor Code sections 218.6, 226(e), 1194, 1194.2, and 2699, *et seq.* give employees the right to recover in a civil action the unpaid balance of the full amount of minimum wages, regular wages, overtime compensation, reimbursements, damages, liquidated damages and penalties, including interest thereon, reasonable attorney's fees, and costs of suit.

Pursuant to Labor Code section 2699, *et seq.*, aggrieved employees are entitled to collect 25% of the penalty assessment and 100% of the underpaid wages. Accordingly, the Employer is liable for these items in addition to the unpaid wages and reimbursements. Claimant has already incurred in actual damages, costs and attorney's fees and will continue to incur costs as a result of Employer's unlawful actions.

CONCLUSION

The Employer violated labor code sections as set forth herein. Claimant will pursue all remedies on behalf of himself and other aggrieved employees, including recovery of attorney's fees, costs, damages and penalties to the extent allowed by law. The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Claimant becomes aware of additional claims, he reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action in the complaint for damages. Should you have any questions, please feel free to contact me at your convenience.

Sincerely,
COHELAN KHOURY & SINGER



Kristina De La Rosa
Attorney at Law

cc (via email only):
MAJARIAN LAW GROUP, APC
Sahag Majarian, Esq. (sahagii@aol.com)
Garen Majarian, Esq. (garen@majarianlawgroup.com)

Amber Worden

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY
<lwdadonotreply@dir.ca.gov>
Sent: Friday, April 29, 2022 4:44 PM
To: Amber Worden
Subject: [External] Thank you for submission of your PAGA Case.

4/29/2022

LWDA Case No. LWDA-CM-881337-22

Law Firm : Cohelan Khoury & Singer

Plaintiff Name : Anthony Morris

Employer: The Lincoln National Life Insurance Company Filing Fee : \$75.00 IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://urldefense.proofpoint.com/v2/url?u=http-3A__labor.ca.gov_Private-5FAttorneys-5FGeneral-5FAct.htm&d=DwICaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=1sYpYEGF76QN6w9hehxsqElpMNt5gOV6_IRPmxDj0Ew&m=q-aoOvmTkY54EIHGNHlrKsOWxiBeoX_mX00KoYET-fQ&s=VkPm-v1vFZ0vureNMP3uaQ2MPnNaXvfVLBlqKc3EHsk&e=

EXHIBIT 2

AMENDED CLASS ACTION AND PAGA SETTLEMENT

AGREEMENT AND CLASS NOTICE

This **Amended** Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Anthony Morris (“Plaintiff”) and defendants The Lincoln National Life Insurance Company and Lincoln National Corporation (collectively, “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants entitled *Anthony Morris v. The Lincoln National Life Insurance Company, et al.*, case number 22STCV20426, filed in Superior Court of California, County of Los Angeles.

1.2 “Administrator” means CPT Group, 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 Preliminary Approval of the Settlement.

1.4 “Aggrieved Employees” mean all employees (exempt and non-exempt) employed by Defendants in the State of California at any time during the PAGA Period. No employee may opt out of being an Aggrieved Employee.

1.5 “Class” means Class I and Class II, collectively.

1.6 “Class I” means all persons employed by Defendants (exempt and nonexempt) in California who worked from home pursuant to Defendants’ alleged policy or practice requiring them to do so **during the Class Period**.

1.7 “Class II” means all persons employed by Defendants in California as non-exempt employees during the Class Period.

1.8 “Class Counsel” means Cohelan Khoury & Singer **and Majarian Law Group, APC**.

1.9 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Actions.

1.10 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Period Pay Periods.

1.11 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.12 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.13 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.14 “Class Period” means June 22, 2018 through May 17, 2023.~~the earlier of: (a) May 17, 2023 or (b) the date the Court grants preliminary approval, or (c) a date prior of Defendants’ choosing.~~

1.15 “Class Period Workweek(s)” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

1.16 “Class Representative” mean the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.17 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Actions and providing services in support of the Actions.

1.18 “Court” means the Superior Court of California, County of Los Angeles.

1.19 “Defendants” means named Defendants The Lincoln National Life Insurance Company and Lincoln National Corporation.

1.20 “Defense Counsel” means Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

1.21 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.22 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.23 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.24 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.25 “Gross Settlement Amount” means \$500,000 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA

PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

1.26 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Class Period Workweeks for Class I and Class II, as set forth in Section 3.2.4 below.

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

1.28 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.29 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

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

1.31 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.32 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.33 "Operative Complaint" means the operative complaint in the Action.

1.34 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35 "PAGA Notice" means Plaintiff's letter(s) to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a). **A copy of Plaintiff's April 29, 2022 PAGA Notice is attached as Exhibit B and incorporated by reference into this Agreement.**

1.36 "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 the 75% to LWDA in settlement of PAGA claims.

1.37 "PAGA Period" means the period from April 29, 2021 through **May 17, 2023**. ~~the earlier of: (a) May 17, 2023 or (b) the date the Court grants preliminary approval, or (c) a date prior of Defendants' choosing.~~

1.38 "PAGA Period Pay Period(s)" means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.39 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

- 1.40 “Plaintiff” means Anthony Morris, the named plaintiff in the Action.
- 1.41 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement. Preliminary.
- 1.42 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.43 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.44 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.45 “Released Parties” means: Defendants, and each of their former and present directors, officers, shareholders, owners, members, employees, managing agents, attorneys, insurers, predecessors, successors, assigns, and Defendants’ subsidiaries, affiliates, and or related companies.
- 1.46 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.47 “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and will be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator will have an additional 14 calendar days beyond the date the Response Deadline has expired. The timeliness of submitted Request for Exclusion Forms will be determined by valid postmark.
- 1.48 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

2. RECITALS.

Plaintiff commenced the Action on June 22, 2022 against Defendants. Plaintiff subsequently filed a First Amended Complaint, adding claims under PAGA. Then on March 8, 2023, Plaintiff filed a Second Amended Complaint. In the operative complaint, Plaintiff alleges 1) failure to reimburse business expenses, 2) failure to pay all wages, 3) failure to pay overtime wages, 4) meal period violations, 5) rest period violations, 6) failure to provide accurate itemized wage statements, 7) failure to provide sick pay, 8) waiting time penalties and 9) Unfair Competition Law violations; and PAGA penalties for: 10) failure to reimburse business expenses, 11) failure to pay all wages, 12) meal period violations, 13) rest period violations, 14) inaccurate wage statements, 15) failure to provide sick pay, 16) failure to provide wages at separation, and 17) failure to maintain accurate records. Defendants deny the allegations in the in the Operative Complaint of the Action, deny any failure to comply with the laws identified in the Operative Complaint of the Actions, and deny any and all liability for the causes of action alleged in the Operative Complaint of the Action.

2.1 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave written notice to Defendants and the LWDA by sending the PAGA Notice.

2.2 On February 16, 2023, the Parties participated in a day mediation presided over by Lou Marlin, Esq. The case settled at mediation.

2.3 Prior to mediation, Plaintiff obtained, through informal discovery, statistical data regarding the Aggrieved Employees and Class Members, payroll records, time records, and employment policies and records. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.4 The Court has not granted class certification.

2.5 The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below Defendants agree to pay \$500,000.00 and no more as the Gross Settlement Amount (except as stated below in Paragraph 8 if the Escalator Clause is triggered) and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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 Final Approval:

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500 to the Class Representative (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33.33%, which is currently estimated to be \$166,650, and a Class Counsel Litigation Expenses Payment

of not more than \$12,000. Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties will have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$9,000, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$9,000, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated as follows: 70% of the Net Settlement Amount shall be allocated to Class I and 30% of the Net Settlement Amount shall be allocated to Class II. For Class I, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class I by the total number of Class Period Workweeks worked by all Participating Class Members in Class I during the Class Period and (b) multiplying the result by each Participating Class Members in Class I's Class Period Workweeks. For Class II, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class II by the total number of Class Period Workweeks worked by all Participating Class Members in Class II during the Class Period and (b) multiplying the result by each Participating Class Members in Class II's Class Period Workweeks. **The allocation of the Net Settlement Amount between Class I and Class II represents the strengths of the claims brought on behalf of each Class. Plaintiff is a member of Class I and Class II.**

3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual

Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.5.1 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 Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of an amount different from the amount requested, the Administrator will allocate the difference to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Workweeks. Based on a review of its records to date, Defendants estimate there are approximately 231 Class Members who collectively worked a total of approximately 27,662 Workweeks through January 23, 2023, and approximately 179 Aggrieved Employees who worked a total of approximately 5,124 PAGA Period Pay Periods through January 23, 2023.

4.2 Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. The Class Data will not be shared with Plaintiff and Class Counsel unless expressly approved by Defendants and Defense Counsel or if a Class Member requests that their personal data be shared with Class Counsel. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class 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 Class Data.

4.3 Funding of Gross Settlement Amount. Defendants will fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment will not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check will prominently state the date (not less than 180 days after the date of mailing) when the check will be voided, which will be 180 days (hereinafter “Void Date”). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

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

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator will transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments will not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, Aggrieved, Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. In addition to the claims released under Sections 5.2 and 5.3 below, Plaintiff and Plaintiff's former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, agree to a general release of any and all claims, transactions, or occurrences against Released Parties—which will include without limitation any and all claims which in any way relate to Plaintiff's employment with Defendants, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA, ADEA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, and workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release will be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period factual allegations **and primary rights**—stated in the Operative **Second Amended Complaint filed March 8, 2023** ~~and any amendments thereto~~, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, **Labor Code Sections 2802, 2804 (Class I Members)**, 2) failure to pay all wages, **Labor Code §§1194, 1194.2, 510 (Class II Members)**, 3) failure to pay overtime wages, **Labor Code §§1194, 510 (Class II Members)**, 4) meal period violations, **Labor Code §§512, 226.7 (Class II Members)**, 5) rest period violations, **Labor Code §226.7 (Class II Members)**, 6) failure to provide accurate itemized wage statements, **Labor Code §226 (Class II Members)**, 7) failure to provide

sick pay, Labor Code §246 (Class II Members), 8) waiting time penalties, Labor Code §§201-203 (Class II Members), and 9) Unfair Competition Law violations, Bus. & Prof. Code §§ 17200, *et seq.* (Class I and Class II Members). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees 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 that were alleged, or reasonably could have been alleged, based on the PAGA Period factual allegations ~~and primary rights~~ stated in the Operative **Second Amended** Complaint ~~and any amendments thereto~~ filed March 8, 2023, the April 29, 2022 PAGA Notices, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, Labor Code Sections 2802, 2699(f)(2) (Aggrieved Employees), 2) failure to pay all wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 3) failure to pay overtime wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 4) meal period violations, Labor Code §§512, 226.7, 2699(f)(2) (Aggrieved Employees), 5) rest period violations, Labor Code §§226.7, 2699(f)(2) (Aggrieved Employees), 6) failure to provide accurate itemized wage statements, Labor Code §§226, 2699(f)(2) (Aggrieved Employees), 7) failure to provide sick pay, Labor Code §246, 2699(f)(2) (Aggrieved Employees), 8) failure to timely pay all wages upon separation and during employment, Labor Code §§201-204, 2699(f)(2) (Aggrieved Employees), and 9) failure to maintain accurate records, Labor Code §§1174, 2699(f)(2) (Aggrieved Employees).

6. MOTION FOR PRELIMINARY APPROVAL.

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and email to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; (vi) 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)); (vii) a redlined

version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration will aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class 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 Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class 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 CPT Group to serve as the Administrator and verified that, as a condition of appointment, 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. The Parties and their 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 will have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

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

7.4 Notice to Class Members.

7.4.1 No later than five (5) business days after receipt of the Class Data, the Administrator will notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Class Period Workweeks, and PAGA Period Pay Periods.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail,

the Class Notice substantially in the form attached to this Agreement as Exhibit 1. The first page of the Class Notice will prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Class Period Workweeks and PAGA Period Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator will update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator will re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator will conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, Challenges to workweeks, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator will accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination will be final and not appealable or otherwise

susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity will be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and will not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member will have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Period Workweeks and PAGA Period Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator will promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel (with identifying information other than names redacted) and the Administrator's determination of the challenges. All workweek challenges will be resolved by the Administrator, with consultation with Defense Counsel and/or Class Counsel as appropriate. The Administrator's determination of each Class Member's allocation of Class Period Workweeks and/or PAGA Period Pay Periods will be final and not appealable or otherwise susceptible to challenge.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator

must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed). If a Participating Class Member submits both a Request for Exclusion and an Objection, the Objection shall be ignored, and the Request for Exclusion shall be deemed controlling.

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 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.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator will email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid), with (for all of the above) personal identifying information other than names redacted.

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek Challenges. The Administrator has the authority to address and make decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of workweeks. All workweek challenges will be resolved by the Administrator, with consultation with Defense Counsel and/or Class Counsel as appropriate. The Administrator's decision will be final and not appealable or otherwise susceptible to challenge.

- 7.8.5 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.

As of January 23, 2023, Defendants calculated that from June 22, 2018 to that date, there were approximately 231 exempt and nonexempt employees that would be part of Class I and they worked approximately 27,662 workweeks. For the same period, there were approximately 69 nonexempt employees that would be part of Class II and they worked approximately 4,176 workweeks (the nonexempt employees in Class II overlap with Class I). If the size of the Class I workweeks during the Class Period exceeds 27,662 by more than 10%, the Gross Settlement Amount will increase by a proportionate percentage (i.e., if the Class I workweeks increased by 12%, the Gross Settlement Amount would increase by 2%). In the alternative, Defendants may elect to shorten the Class Period in order to stay within the 10% cushion.

9. DEFENDANTS' RIGHT TO WITHDRAW.

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 7.5% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement will be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 10 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL.

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff will provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment will not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, following entry of the Final Order and Judgment, the Court shall retain jurisdiction under California Code of Civil Procedure section 664.6 with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted

by Class Members), this Agreement will be null and void. The Parties will nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel will not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and 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).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal

from the Judgment. Nothing in this paragraph will be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 No Publicity. Plaintiff and Plaintiff's Counsel will not contact the media about the settlement or respond to any inquiries by the media regarding the Settlement, other than to state that the matter was amicably settled, and the Court did not find Defendants liable. Plaintiff and their respective Counsel also will not post any information about the settlement on social media or their firms' websites.

12.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits will 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.

12.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, 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.

12.7 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 the Settlement Agreement, 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.

12.8 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 Party in this Settlement.

12.9 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor will 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.

12.10 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.

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

12.12 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.

12.13 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.

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

12.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants.

12.16 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.

12.17 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement will 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 will be on the first business day thereafter.

12.18 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:	TO DEFENDANTS:
Isam C. Khoury Michael D. Singer Marta Manus Rosemary C. Khoury COHELAN KHOURY & SINGER 605 C Street, Suite 200 San Diego, CA 92101 Tel. 619-595-3001 Fax 619-595-3000	Jesse C. Ferrantella Cameron. O. Flynn OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. 4660 La Jolla Village Dr., Suite 900 San Diego, CA 92122 Tel: 858-652-3100 Fax: 858-652-3101

12.19 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 will 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.

12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation for all Actions will be stayed, except to effectuate the terms of this Agreement. The

Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process, beginning on the date of execution of this Agreement.

PLAINTIFF	
Date:	
	Anthony Morris

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	
Date:	
	By: Its:
LINCOLN NATIONAL CORPORATION	
Date:	
	By: Its:

APPROVED AS TO FORM AND CONTENT:

COUNSEL FOR PLAINTIFF AND DEFENDANTS	
Date:	
	Isam C. Khoury Michael D. Singer Marta Manus Rosemary C. Khoury COHELAN KHOURY & SINGER
Date:	Sahag Majarian MAJARIAN LAW GROUP, APC

Date:	
	Jesse C. Ferrantella Cameron O. Flynn OGLETREE, DEAKINS, NASH, SMOAK, & STEWART, P.C.

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Morris. v. The Lincoln National Life Insurance Company, et al.
Superior Court of California – Los Angeles
Case No. 22STCV20426

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from a class action lawsuit (“Action”) against The Lincoln National Life Insurance Company and Lincoln National Corporation (“Defendants”) for alleged wage and hour violations. The Action was filed by former employee Anthony Morris (“Plaintiff”) and seeks recovery for penalties and reimbursement for all persons employed by Defendants (exempt and nonexempt) in California who worked from home pursuant to Defendants’ alleged policy or practice requiring them to do so during the Class Period; and recovery of wages, reimbursements, and penalties for all persons employed by Defendants in California as non-exempt employees during the Class Period. Specifically, there are two classes. “Class I” means all persons employed by Defendants (exempt and nonexempt) in California who worked from home pursuant to Defendants’ alleged policy or practice requiring them to do so **during the Class Period**. “Class II” means all persons employed by Defendants in California as non-exempt employees during the Class Period. The “Class Period” is from June 22, 2018 to **DATE May 17, 2023**. For both groups, Plaintiff seeks penalties under the California Private Attorney General Act (“PAGA”) for all persons (exempt and nonexempt) employed by Defendants during the “PAGA Period,” which is from April 29, 2021 to **DATE May 17, 2023** (Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants’ to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ADD (less withholding) and your Individual PAGA Payment is estimated to be \$ ADD**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked ADD workweeks** during the Class Period and **you worked ADD pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve

the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

1. Do Nothing. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period claims and PAGA Period penalty claims against Defendants.

2. Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is DATE	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by DATE	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on DATE. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by DATE	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you may challenge it by DATE. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action alleges Defendants violated California labor laws by failing to reimburse business expenses, pay all wages, pay overtime wages, provide complaint meal periods, provide complaint rest periods, provide accurate itemized wage statements, provide sick pay, and failure to timely pay all wages during employment and upon separation of employment, and violated California’s Unfair Competition Law. Plaintiff seeks PAGA penalties for: failure to reimburse business expenses, failure to pay all wages (including overtime wages), meal period violations, rest period violations, inaccurate wage statements, failure to provide sick pay, failure to timely pay all wages upon separation and during employment, and failure to maintain accurate records. Plaintiff is represented by following attorneys in the Action: Cohelan Khoury & Singer (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Plaintiff or Defendants are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$500,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$166,650 (33.33% of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$12,000 for their litigation expenses. To date, Class Counsel has worked and incurred expenses on the Action without payment.
- B. Up to \$7,500 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$9,000 to the Administrator for services administering the Settlement.

- D. Up to \$25,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Defendants will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Unclaimed Property Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **DATE**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants

have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, CPT Group (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their related entities based on the claims resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period factual allegations ~~and primary rights~~—stated in the Operative Second Amended Complaint filed March 8, 2023, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, Labor Code Sections 2802, 2804 (Class I Members), 2) failure to pay all wages, Labor Code §§1194, 1194.2, 510 (Class II Members), 3) failure to pay overtime wages, Labor Code §§1194, 510 (Class II Members), 4) meal period violations, Labor Code §§512, 226.7 (Class II Members), 5) rest period violations, Labor Code §226.7 (Class II Members), 6) failure to provide accurate itemized wage statements, Labor Code §226 (Class II Members), 7) failure to provide sick pay, Labor Code §246 (Class II Members), 8) waiting time penalties, Labor Code §§201-203 (Class II Members), and 9) Unfair Competition Law violations, Bus. & Prof. Code §§ 17200, *et seq.* (Class I and Class II Members). ~~(i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period factual allegations and primary rights stated in the Operative Complaint and any amendments thereto, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, 2) failure to pay all wages, 3) failure to pay overtime wages, 4) meal period violations, 5) rest period violations, 6) failure to provide accurate itemized wage statements, 7) failure to provide sick pay, 8) waiting time penalties and 9) Unfair Competition Law violations.~~

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA claims resolved by this Settlement. The Aggrieved Employees’ Releases are as follows:

All Aggrieved Employees 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 that were alleged, or reasonably could have been alleged, based on the PAGA Period factual allegations ~~and primary rights~~ stated in the Operative ~~Second Amended Complaint~~ filed March 8, 2023, the April 29, 2022 and April 22, 2023 PAGA Notices, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, Labor Code Sections 2802, 2699(f)(2) (Aggrieved Employees), 2) failure to pay all wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 3) failure to pay overtime wages, Labor Code §§1194, 510, 2699(f)(2) (Aggrieved Employees), 4) meal period violations, Labor Code §§512, 226.7, 2699(f)(2) (Aggrieved Employees), 5) rest period violations, Labor Code §§226.7, 2699(f)(2) (Aggrieved Employees), 6) failure to provide accurate itemized wage statements, Labor Code §§226, 2699(f)(2) (Aggrieved Employees), 7) failure to provide sick pay, Labor Code §246, 2699(f)(2) (Aggrieved Employees), 8) failure to timely pay all wages upon separation and during employment, Labor Code §§201-204, 2699(f)(2) (Aggrieved Employees), and 9) failure to maintain accurate records, Labor Code §§1174, 2699(f)(2) (Aggrieved Employees). ~~Complaint and any amendments thereto, the PAGA Notices, and ascertained in the course of the Actions, including, 1) failure to reimburse business expenses, 2) failure to pay all wages, 3) failure to pay overtime wages, 4) meal period violations, 5) rest period violations, 6) failure to provide accurate itemized wage statements, 7) failure to provide sick pay, 8) failure to timely pay all wages upon separation and during employment, and 9) failure to maintain accurate records.~~

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments as follows: 70% of the Net Settlement Amount shall be allocated to Class I and 30% of the Net Settlement Amount shall be allocated to Class II. For Class I, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class I by the total number of Class Period Workweeks worked by all Participating Class Members in Class I during the Class Period and (b) multiplying the result by each Participating Class Members in Class I's Class Period Workweeks. For Class II, the Individual Class Payment is calculated by (a) dividing the Net Settlement Amount allocated to Class II by the total number of Class Period Workweeks worked by all Participating Class Members in Class II during the Class Period and (b) multiplying the result by each Participating Class Members in Class II's Class Period Workweeks.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek Challenges. The number of Class Period Workweeks and/or PAGA Period you worked, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **DATE** to challenge the number of workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of workweeks based on Defendants' records as

accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Morris v. Lincoln National Life Insurance Company*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by DATE, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website or the Court's website.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class

Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is DATE.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Morris v. Lincoln National Life Insurance Company* and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **DATE** at **TIME** in Department SS7 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website at: **SITE** beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Plaintiff and Defendants have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to CPT Group's website at **SITE**. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22STCV20426. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Attorney: Marta Manus

Email Address: mmanus@ckslaw.com

Name of Firm: COHELAN KHOURY & SINGER

Mailing Address: 605 C Street, Suite 200

Telephone: 619-595-3001

Settlement Administrator:

Name of Company: CPT Group

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT B

COHELAN KHOURY & SINGER

A PARTNERSHIP OF PROFESSIONAL LAW CORPORATIONS

TIMOTHY D. COHELAN, APLC*
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KRISTINA DE LA ROSA
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(† Also admitted in Illinois)

April 29, 2022

NOTICE VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

The Lincoln National Life Insurance Company
1300 South Clinton Street
Fort Wayne, IN 46802

Lincoln National Life Insurance Co.
PO Box 21008
Greensboro, NC 27420-1008

Lincoln Financial Group
1300 South Clinton Street
Fort Wayne, IN 46802

Re: NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE SECTION 2699.3

This letter shall serve as Anthony Morris' (hereafter "Claimant") *Notice* pursuant to the California Private Attorneys General Act ("PAGA"), California Labor Code sections 2698, *et seq.* regarding his wage and hour claims against Lincoln Financial Group and/or The Lincoln National Life Insurance Company and/or Lincoln National Life Insurance Co. (collectively referred to herein as "the Employer."). Claimant submits this notice on behalf of himself and all current and former exempt and/or non-exempt employees of the Employer in California who during the one year preceding the date of this notice suffered one or more of the violations described herein (collectively referred to as "aggrieved employees").

Claimant and other aggrieved employees were subject to the same policies and practices alleged herein which impermissibly denied aggrieved employees their rights pursuant to the California Labor Code and caused violation of the Labor Code as set forth below.

FACTUAL ALLEGATIONS

Claimant worked for the Employer as a Sr. Adminr, GP Sales Support from approximately February 19, 2019 until on or about February 4, 2022.

At all relevant times at least one year prior to the date of this Notice, the Employer subjected Claimant and aggrieved employees to policies and practices which caused the violations of the Labor Code as described herein.

The Employer failed to pay any wages for this time spent working and under the direction and control of the Employer. The Employer failed to pay Claimant and aggrieved employees all minimum, regular, and overtime wages for all applicable hours of work, including the time spent working off the clock and due to unlawful rounding of hours worked. Employer maintained a policy which discouraged or prohibited working overtime. Due to deadlines and pressure to produce, Claimant and other aggrieved employees were often required to work off the clock in order to meet productivity requirements and to avoid working unauthorized overtime. Off the clock work also included working before and after schedule start and end times and working through meal periods. Additionally, Claimant and other employees often submitted hours worked to their managers. Hours worked would be inputted only based off the scheduled hours and not actual hours worked in order to avoid the payment of overtime. Finally, the Employer requires employees to spend time working returning computers and work related items upon separation of employment. Though this time is spent at the direction and control of the Employer, the Employer does not pay any wages for this time spent working. As a result of these practices, the Employer failed to pay all aggrieved employees all minimum, regular, and overtime wages for all of these hours worked.

Additionally, at all times during their employment and at least one year prior to the date of this notice, Claimant and other aggrieved employees were subjected to a uniform policy and practice of unlawful time rounding. That is, the Employer did not pay Claimant and other aggrieved employees precisely for all hours worked. Instead, the Employer rounded their and other aggrieved employees' hours worked which over time, unlawfully favored the Employer and resulted in time lost to the aggrieved employees, including Claimant. This rounding policy was not neutral on its face or in application, and resulted in a cumulative loss of time to the Claimant and other aggrieved employees. The Employer had the ability to pay for the precise hours worked, but opted instead to utilize the rounding policy with no apparent benefit other than to benefit the Employer and deprive employees of payment for all hours worked. As a result, Claimant and other employees were not paid all minimum and regular wages for all hours worked. When Claimant and other aggrieved employees worked overtime, the rounding policy also resulted in the failure to pay all overtime wages for all overtime hours worked.

The Employer further failed to pay all overtime wages for all overtime hours worked because it failed to properly calculate the regular rate of pay for purposes of calculating overtime rates (time and a half- and double-time rates). Claimant and other aggrieved employees were eligible to earn, and did earn, more than one base hourly rates in the same workweek, non-discretionary compensation, including but not limited to, Gift/Awards and Annual income plan bonus. Claimant and other aggrieved employees worked overtime during the same workweek in which they worked at more than one base hourly rate and/or earned additional nondiscretionary compensation. However, all remuneration was not properly calculated into the regular rate of pay and as a result the overtime wages were not calculated using the correct regular rate of pay. Accordingly, the Employer failed to pay all overtime wages owed to Claimant and other aggrieved employees. Additionally, the Employer failed to calculate the correct regular rate of pay for purposes of calculating meal and rest period premium wages and sick pay. As a result, any meal and rest period premium wages and sick pay rates were not paid at the correct pay.

The Employer subjected all aggrieved employees to policies and practices which failed to provide compliant meal and rest periods. The Employer did not maintain a meal and rest period policy applicable to Claimant and other aggrieved employees. Claimant and other aggrieved employees were not authorized and permitted to take lawful rest and meal periods.

Claimant and other aggrieved employees were not provided an opportunity for each shift to take off-duty, timely, uninterrupted meal periods lasting at least 30-minutes. Instead, meal periods were often short (less than 30 minutes), missed entirely or late (after the 5th or 10th hour of work, as applicable). At times, the job demands sometimes required Claimant and other aggrieved employees to have to entirely miss his or her meal periods. The job demands also caused employees to be unable to take timely meal periods because employees were required to continue working. Job demands caused meal periods to be shorter than 30 minutes because employees had to return to work before the end of the full thirty minutes. Claimant and other aggrieved employees were not provided an opportunity to take a second uninterrupted, off-duty, thirty-minute meal period on shifts lasting more than 10 hours.

For the same reasons, Claimant and other aggrieved employees were not provided complaint off-duty, timely and uninterrupted rest periods. At times, the job demands sometimes required Claimant and other employees to have to entirely miss his or her rest periods. The job demands also caused employees to be unable to take timely rest periods because employees were required to continue working. Job demands caused rest periods to be shorter than 10 minutes and/or interrupted because employees had to return to work before the end of the full thirty minutes. Claimant and other aggrieved employees were not provided an opportunity to take a third uninterrupted, off-duty, ten-minute rest period on shifts lasting more than 10 hours.

The Employer never paid one hour of wages at a regular rate of pay for each shift in which non-compliant rest and meal periods were not provided, as required by Labor Code section 226.7 and sections 11 and 12 of the applicable wage order.

Furthermore, the Employer failed to provide sick pay at the proper accrual rates and at the correct regular rate of pay as required by Labor Code section 246.

Furthermore, the Employer failed to provide sick pay at the proper accrual rates and at the correct regular rate of pay as required by Labor Code section 246. Instead of paying sick time at the correct regular rate of pay which factored in all remuneration paid, the Employer only paid employees at his or her base hourly rate of pay in violation of Labor Code section 246. The Employer failed to provide notice to the employees of all sick paid accrued as required by law.

Furthermore, the Employer failed to record (and maintain records) reflecting when the beginning and ending of each shift and work period, including the beginning and ending of each meal period. The Employer further failed to accurately record the total hours worked.

During the relevant time period, the Employer failed to provide reimbursement for all reasonable costs and expenses incurred in direct consequence to their job duties. The Employer failed to maintain an adequate reimbursement policy and further failed to inform aggrieved employees of their right to seek reimbursement for all costs and expenses.

During his employment and the applicable time period, the Employer required Claimant and other aggrieved employees to incur necessary business-related expenditures in direct consequence of the discharge of their duties for the Employer. Claimant and other aggrieved employees incurred expenses for internet, wifi, telephone and/or cellular services, office supplies and the use of a desk and chair. The Employer did not advise employees of their right to receive reimbursement for these expenses, nor did the Employer reimburse Claimant and other aggrieved employees for these necessary expenditures incurred in the direct consequence of the discharge of his duties as an employee of the Employer, in violation of California law.

The Employer failed to provide wage statements to Claimant and other aggrieved employees. The paystubs provided to Claimant and other aggrieved employees did not contain all accurate information as required by Labor Code section 226(a). Because, as described above, the Employer failed to pay all minimum, regular, overtime, sick pay, and all meal and rest premium wages, it failed to accurately set forth the total gross wages earned, net wages earned, total hours worked, and all applicable hourly rates and the total number of hours worked at each rate.

Additionally, separate and independent from the claims for derivative violations of Labor Code section 226, the wage statements were non-compliant and did not contain all the required information. The wage statements did not list the total hours worked, nor did it include the rate of pay and the number of hours worked at each rate. The wage statements did not include the correct name of the employer because it listed "Lincoln National Life Insurance Co." instead of the actual name as reflected in the California Secretary of State's records: "The Lincoln National Life Insurance Company."

During their employment, Claimant were not paid all wages within the time set forth in Labor Code section 204 due to the failure to pay all minimum, regular, and overtime wages and all meal and rest period premium wages as described herein. Additionally, when the Employer paid overtime wages, they were paid later than the payday for the next regular payroll period in violation of Labor Code section 204(b)(1).

Additionally, the Employer failed to pay Claimant the Employer failed to pay Claimant and aggrieved employees within the time required because they did not pay all wages earned as set forth herein. Claimant is informed and believe that the Employer has no policy and/or practice to comply with Labor Code sections 201, 202, and 203 as to all separated employees in California by timely paying final wages and paying waiting time penalty wages when failing to timely pay final wages. On information and belief, Claimant maintains that the Employer maintained a regular practice of failing to pay separated employees within the time requirements of Labor Code sections 201- 20. Even if the Employer did provide employees with the final pay check within the time frame required, they nevertheless failed to pay timely because they did not pay all wages earned as set forth herein. As a result, the Employer is liable for civil penalties for their violation of 201 and 202.

The Employer also did not pay a day's wages for every day final pay was not paid through the date final wages were paid, as required by Labor Code section 203. Thus, aggrieved employees are owed civil penalties due to the Employer's violation of Labor Code 203.

Claimant further allege, based on personal experience and observation, that the violations of the Labor Code described herein were suffered by other current and former employees of the Employer.

FAILURE TO PAY MINIMUM, REGULAR, AND OVERTIME WAGES

(Labor Code Sections 510, 1194, 1197, 1197.1, and 1198, and the “Minimum Wages” and “Hours and Days of Work” Sections of the Applicable Wage Order)

The Employer failed to pay all minimum, regular, and overtime wages required by law.

Labor Code section 226.2 applies to employees who are compensated on a piece-rate basis for any work performed during a pay period. Labor Code section 226.2 (a)(1) states that employees who are compensated on a piece-rate basis, “shall be compensated for rest and recovery periods and other nonproductive time separate from any piece-rate compensation.” The rest and recovery periods shall be paid at a regular hourly rate that is no less than the higher of: a) An average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods or b) the applicable minimum wage. Labor Code section 226.2(a)(3)(A).

Labor Code section 510 provides in pertinent part: “Eight hours of labor constitutes a day’s work. Any work in excess of 8 hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.”

Labor Code section 1197 states: “The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to employees, and the payment of a less wage than minimum wage so fixed is unlawful. This section does not change the applicability of local minimum wage laws to any entity.”

Labor Code section 1198 states: “The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Pursuant to the “Minimum Wages” and “Hours & Days of Work” Sections of the applicable Wage Order, an employer may not pay employees less than the applicable minimum wage for all hours worked, and provides that an employer may not pay non-exempt employees less than the applicable overtime rate for all overtime hours worked.

As set forth in detail above, the Employer violated Labor Code sections 510, 1197, and 1198, and the “Minimum Wages” and “Hours and Days of Work” Sections of the Applicable Wage

Order because they did not pay Claimant and other aggrieved employees all minimum, regular, and overtime wages for all hours worked.

FAILURE TO PROVIDE MEAL AND REST PERIODS

(Labor Code Sections 226.2, 226.7, 512(a), and 1198, and the “Meal Periods” and “Rest Periods”
Sections of the Applicable Wage Order)

As set forth herein, during the time that Claimant performed work for the Employer, the Employer did not provide Claimant and other aggrieved employees all lawful and compliant rest and meal periods, and failed to pay them all required meal and rest premiums due to them under the law.

Labor Code section 226.7(c) states: “If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.” Consequently, Claimant is entitled to receive a one-hour wage premium for each day a compliant meal period was not provided and a one-hour wage premium for each day a compliant rest period was not provided. Claimant intends to pursue all remedies, including recovery of wages, interest, attorney’s fees and costs, and penalties to the extent allowed by law.

Labor Code section 512(a) states: “An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.”

Labor Code section 226.7(b) states: “An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.”

Labor Code section 1198 states: “The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Pursuant to the “Meal Period” Section of the applicable IWC Wage Order, no employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will

complete the day's work the meal period will be waived by mutual consent of the employer and the employee. If an employer fails to provide an employee a meal period in accordance with the applicable provision of the order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

Pursuant to the "Rest Period" Section of the applicable Wage Order, every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. If an employer fails to provide an employee a rest period in accordance with the applicable provision of the order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation of each workday that the rest period is not provided.

As set forth above, the Employer denied Claimant and other aggrieved employees' meal and rest periods due to them under the law. Consequently, the Employer must pay one hour of wages for each day a proper meal period was not properly provided and one hour of wages for each day a rest period was not properly provided. This applies to Claimant and all other aggrieved employees who were not provided with legally compliant meal periods and rest breaks.

FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS
(Labor Code Sections 246(i), 226(a), 226.3, 1198, and 2699, and the
"Records" Section of the Applicable Wage Order)

Labor Code section 226(a) states in pertinent part, "An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing: (1) gross wages earned; (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer. . .; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee... and if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment."

The Wage statements of employees who are compensated on a piece-rate basis during a pay period shall also comply with the requirements of Labor Code section 226.2(a)(2)(A)-(B):

(2) The itemized statement required by subdivision (a) of Section 226 shall, in addition to the other items specified in that subdivision, separately state the following, to which the provisions of Section 226 shall also be applicable:

(A) The total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period.

(B) Except for employers paying compensation for other nonproductive time in accordance with paragraph (7), the total hours of other nonproductive time, as determined under paragraph (5), the rate of compensation, and the gross wages paid for that time during the pay period.

Furthermore, Labor Code section 226(e)(2)(A) states: “An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide a wage statement.”

Labor Code section 226.3 imposes an additional civil penalty on the employer of \$250.00 per employee per violation of Labor Code section 226(a) in an initial citation and \$1,000.00 per employee for each violation in a subsequent citation. In addition, Labor Code section 226(e) imposes a penalty of the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of \$4,000, and Claimant is entitled to an award of costs and reasonable attorney’s fees.

Labor Code section 246(i) further requires that an employer provide employees written notice setting forth the amount of paid sick leave available either on an employee’s wage statement pursuant to Section 226 or in a separate writing on the designated pay date.

The Employer failed to provide Claimant with an accurate, timely itemized wage statement complying with the requirements of the Labor Code and applicable IWC Wage Order. Claimant will pursue all remedies, including recovery of wages, interest, attorneys’ fees and costs, penalties and those provided by the PAGA, to the extent allowed by law, on behalf of themselves and other aggrieved employees of the Employer.

FAILURE TO PROVIDE PAID SICK LEAVE

(Labor Code Sections 246 and 248.5)

Labor Code section 246 grants the right to employees to paid sick days. Specifically, Labor Code section 246(b) states that:

(1) An employee shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment or the operative date of this article, whichever is later, subject to the use and accrual limitations set forth in this section.

(2) An employee who is exempt from overtime requirements as an administrative, executive, or professional employee under a wage order of the Industrial Welfare Commission is deemed to work 40 hours per workweek for the purposes of this section, unless the employee’s normal workweek is less than 40 hours, in which case the employee shall accrue paid sick days based upon that normal workweek.

(3) An employer may use a different accrual method, other than providing one hour per every 30 hours worked, provided that the accrual is on a regular basis so that an

employee has no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period.

(4) An employer may satisfy the accrual requirements of this section by providing not less than 24 hours or three days of paid sick leave that is available to the employee to use by the completion of his or her 120th calendar day of employment.

Cal. Labor Code section 246(l) states: “For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

- (1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.”
- (2) Paid sick time for nonexempt employees shall be calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.

Labor Code section 246(i) further requires that an employer provide employees written notice setting forth the amount of paid sick leave available either on an employee’s wage statement pursuant to Labor Code section 226 or in a separate writing on the designated pay date.

Employer violated Labor Code section 246 because it did not provide no sick leave at the correct rates of pay to Claimant and other aggrieved employees, nor did it provide written notice of the paid sick leave available.

FAILURE TO TIMELY PAY WAGES DUE DURING AND UPON TERMINATION OF EMPLOYMENT

(Labor Code Sections 201, 202, 203, 204, 256, 1198, and 2699, and the “Minimum Wages”
Section of the Applicable Wage Order)

Labor Code section 204(a) states, in pertinent part, “All wages . . . earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays.” Section 204(d) states, “The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.” The “Minimum Wages” Section of the applicable Wage Order further states “every employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period.”

Labor Code section 201 states: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code section 202 states “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.”

Labor Code section 203(a) states, in relevant part, “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days. An employee who secretes or absents himself or herself to avoid payment to his or her, or who refuses to receive the payment when fully tendered to his or her, including any penalty then accrued under this section, is not entitled to any benefit under this section for the time during which he or she so avoids payment.”

Labor Code section 210(a) provides: “(a) In addition to, *and entirely independent and apart from, any other penalty provided in this article*, every person who fails to pay the wages of each employee as provided in Sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, and 1197.5, shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee. (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld.” [Emphasis added.]

Labor Code section 256 states: “The Labor Commissioner shall impose a civil penalty in an amount not exceeding 30 days’ pay as waiting time under the terms of Section 203.”

The Employer failed to timely pay Claimant and other aggrieved employees all wages due and owing during and upon termination of employment. The Employer willfully failed to pay all wages and penalties when required by Sections 201, 202, and 204 of the Labor Code. Therefore, the penalties to all affected employees, including Claimant.

FAILURE TO REIMBURSE EXPENSES (Labor Code §§ 2802 and 2804)

California Labor Code section 2802(a) states: “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.”

Labor Code section 2802(b) states: “All awards made by a Court or by the Division of Labor Standards Enforcement for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss.” The exact amount of interest is in an amount to be proven at time of trial.

Furthermore, Labor Code section 2802(c) states: “For the purposes of this section, the term ‘necessary expenditures or losses shall include all reasonable costs, including, but not limited to, attorney’s fees incurred by the employee in enforcing the rights granted by this section.”

“Any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State.” Cal. Labor Code § 2804.

The Employer failed to fulfill these obligations when it failed to reimburse Claimant and other aggrieved employees for all costs and expenses they incurred while working for the Employer.

CIVIL PENALTIES FOR VIOLATION OF
THE LABOR CODE AND IWC WAGE ORDERS
(Labor Code Sections 558, 558.1, and 1197.1)

Labor Code section 558 subjects any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of Part 2, Chapter 1, of the Labor Code or any provision regulating hours and days of work in any IWC Wage Order to a civil penalty in the amount of \$50 for any initial violation for each pay period in which an employee is underpaid in addition to an amount sufficient to recover underpaid wages, and \$100 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

Labor Code section 558.1(a) states: “Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.”

Labor Code section 1197.1 states that any employer or other person acting either individually or as an officer, agent or employee of another person, which pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty and restitution of wages payable to the employee in an amount of \$100 for the initial violation for each pay period in which an employee underpaid in addition to an amount sufficient to recover underpaid wages, and \$250 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

As set forth above, the Employer violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 510, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order. As a result, the Employer is liable for civil penalties under Labor Code sections 558, 558.1, and 1197.1.

As set forth above, The Lincoln National Life Insurance Company and/or Lincoln National Life Insurance Co. and/or Lincoln Financial Group were the Employer, or other person acting on behalf the employer, and violated, or caused to be violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 203, 226, 226.7, 1194, 2802, 510, 512, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order.

As a result, the Employer is each liable for civil penalties under Labor Code sections 558, 558.1, and 1197.1.

DUTIES OF EMPLOYER

(Labor Code Sections 246(i), 1174, 1174.5, 2751, and 1198 and Section 7 of the Applicable IWC Wage Order)

Labor Code section 1174 describes certain duties of every employer in this state. Subsection (d) of this labor code section requires that payroll records show the hours worked daily by employees and the corresponding wages to be paid for the hours worked. the Employer violated this requirement by its failure to accurately record employee hours worked and/or paid. Labor Code section 1174.5 imposes a civil penalty of \$500 for an employer's failure to maintain accurate and complete records. This civil penalty is addition to the civil penalty of \$100 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code section 2699 for a violation of Labor Code section 1174 (d). Furthermore, Claimant and all other current and former employees are entitled to collect 25% of the penalty imposed pursuant to Section 2699.

Section 7 of the IWC wage order also states:

(A) Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.
- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

Labor Code section 2751 further requires that employers provide its commissioned employees with a written agreement detailing how their commissions will be calculated and paid. Employers must also provide a copy of all commission agreements and obtain from each employee a signed receipt.

Labor Code section 246(i) states: "An employer shall provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee's itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee's payment of wages."

The Employer violated the sections 1174, 1198 and section 7 of the applicable IWC Wage order, 246, and 2751 by failing to maintain time records and failing to provide the requisite notices.

ATTORNEY'S FEES, COSTS, INTEREST AND PENALTIES

(Labor Code Sections 218.6, 226(e), 1194, 1194.2, 2699, *et seq.*, and 2802)

Labor Code sections 218.6, 226(e), 1194, 1194.2, and 2699, *et seq.* give employees the right to recover in a civil action the unpaid balance of the full amount of minimum wages, regular wages, overtime compensation, reimbursements, damages, liquidated damages and penalties, including interest thereon, reasonable attorney's fees, and costs of suit.

Pursuant to Labor Code section 2699, *et seq.*, aggrieved employees are entitled to collect 25% of the penalty assessment and 100% of the underpaid wages. Accordingly, the Employer is liable for these items in addition to the unpaid wages and reimbursements. Claimant has already incurred in actual damages, costs and attorney's fees and will continue to incur costs as a result of Employer's unlawful actions.

CONCLUSION

The Employer violated labor code sections as set forth herein. Claimant will pursue all remedies on behalf of himself and other aggrieved employees, including recovery of attorney's fees, costs, damages and penalties to the extent allowed by law. The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Claimant becomes aware of additional claims, he reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action in the complaint for damages. Should you have any questions, please feel free to contact me at your convenience.

Sincerely,
COHELAN KHOURY & SINGER



Kristina De La Rosa
Attorney at Law

cc (via email only):
MAJARIAN LAW GROUP, APC
Sahag Majarian, Esq. (sahagii@aol.com)
Garen Majarian, Esq. (garen@majarianlawgroup.com)

Amber Worden

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY
<lwdadonotreply@dir.ca.gov>
Sent: Friday, April 29, 2022 4:44 PM
To: Amber Worden
Subject: [External] Thank you for submission of your PAGA Case.

4/29/2022

LWDA Case No. LWDA-CM-881337-22

Law Firm : Cohelan Khoury & Singer

Plaintiff Name : Anthony Morris

Employer: The Lincoln National Life Insurance Company Filing Fee : \$75.00 IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://urldefense.proofpoint.com/v2/url?u=http-3A__labor.ca.gov_Private-5FAttorneys-5FGeneral-5FAct.htm&d=DwICaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=1sYpYEGF76QN6w9hehxsqElpMNt5gOV6_IRPmxDj0Ew&m=q-aoOvmTkY54EIHGNHlrKsOWxiBeoX_mX00KoYET-fQ&s=VkPm-v1vFZ0vureNMP3uaQ2MPnNaXvfVLBlqKc3EHsk&e=

EXHIBIT 3

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Tarzana, CA 91356

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Attorneys for Anthony Morris, on behalf of himself
and all others similarly situated

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

ANTHONY MORRIS, on behalf of himself
and all others similarly situated,

Plaintiff,

v.

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY, an Indiana
Corporation; LINCOLN NATIONAL
CORPORATION, an Indiana Corporation;
and DOES 1 Through 10, Inclusive,

Defendants.

Case No. 22STCV20426

ASSIGNED FOR ALL PURPOSES TO:

The Honorable Lawrence P. Riff

Department SS7

CLASS AND REPRESENTATIVE ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: November 1, 2023

Time: 3:00 p.m.

Dept: SS 7

Judge: Lawrence P. Riff

Complaint filed: June 22, 2022

Trial date: Not set

1 This matter came on for hearing on ~~August 9~~November 1, 2023 in Department SS7 of the
2 above captioned Court on Plaintiff's Motion for Order Granting Preliminary Approval of Class
3 Action Settlement ("Motion").

4 The Court, having fully reviewed the Motion, the supporting memorandum of Points and
5 Authorities and Supplemental Briefing, Declarations and Supplemental Declarations of Class
6 Counsel Marta Manus and Sahag Majarian, II, Declaration of Plaintiff Anthony L. Morris, and
7 Declaration of Julie Green on behalf of CPT Group, Inc., filed in support of the Motion, the
8 Amended Class Action and PAGA Settlement Agreement (hereinafter "Settlement Agreement"),
9 the proposed Notice of Class Action Settlement ("Class Notice") attached as Exhibit A to the
10 Settlement Agreement, and having carefully analyzed the Settlement Agreement and its Exhibit,
11 and in recognition of the Court's duty to make a preliminary determination as to the
12 reasonableness of any proposed class action settlement, and if preliminarily determined to be
13 reasonable, to ensure proper notice is provided to all Settlement Class Members in accordance
14 with due process requirements, and to set a Final Approval Hearing to consider the proposed
15 Settlement as to the good faith, fairness, adequacy and reasonableness of any proposed
16 Settlement, THE COURT HEREBY MAKES THE FOLLOWING DETERMINATIONS AND
17 ORDERS:

18 1. The Court conditionally finds that, for the purposes of approving this settlement
19 only, the proposed Class meets the requirements for certification under section 382 of the
20 California Code of Civil Procedure: (a) the proposed Class is ascertainable and so numerous that
21 joinder of all members of the class is impracticable; (b) there are questions of law or fact common
22 to the proposed Class, and there is a well-defined community of interest among members of the
23 proposed Class with respect to the subject matter of the class action; (c) the claims of the Class
24 Representative are typical of the claims of the members of the proposed Class; (d) the Class
25 Representative has and will fairly and adequately protect the interests of the members of the
26 Settlement Class; (e) a class action is superior to other available methods for an efficient
27 adjudication of this controversy in the context of settlement; and (f) the counsel of record for the
28 Class Representative are qualified to serve as counsel for him as well as his representative

1 capacity and for the Class.

2 2. The Court finds on a preliminary basis that the Settlement Agreement, attached to
3 the **Supplemental** Declaration of Marta Manus as **Exhibit 1**, incorporated herein by this reference
4 in full, and made a part of this Order of preliminary approval, appears to be within the range of
5 reasonableness of a settlement which could ultimately be given final approval by this Court.

6 3. Further, it appears to the Court on a preliminary basis that: (a) the settlement
7 amount is fair and reasonable to the Settlement Class Members when balanced against the
8 probable outcome of further litigation relating to class certification, liability and damages issues
9 and potential appeals; (b) significant investigation, research, and informal discovery have been
10 conducted such that counsel for the Parties at this time are able to reasonably evaluate their
11 respective positions; (c) settlement at this time will avoid substantial costs, delay and risks that
12 would be presented by the further prosecution of the litigation; and (d) the proposed Settlement
13 has been reached as the result of intensive, serious and non-collusive negotiations facilitated by
14 an experienced mediator at mediation and between the Parties.

15 4. Accordingly, good cause appearing, the Motion for Order Granting Preliminary
16 Approval of Class Action Settlement is hereby GRANTED, and as a part of said preliminary
17 approval, the Court accepts and incorporates the Settlement Agreement and orders that the Class
18 be conditionally certified for settlement purposes only to the terms and conditions in the
19 Settlement Agreement.

20 5. For purposes of the settlement of the Lawsuit, the Class (means Class I and Class
21 II, collectively) is defined as:

22 “Class I” is all persons employed by Defendants (exempt and nonexempt)
23 in California who worked from home pursuant to Defendants’ alleged
24 policy or practice requiring them to do so from June 22, 2018 through May
25 17, 2023.

26 “Class II” is all persons employed by Defendants in California as non-
27 exempt employees from June 22, 2018 through May 17, 2023.

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1 6. The Court further finds that the proposed Notice of Class Action Settlement
2 (“Class Notice”) fairly and adequately advises Settlement Class Members of a) the pendency of
3 the Class Action; b) the conditional certification of the Class for settlement purposes only; c)
4 preliminary Court approval of the proposed Settlement; d) the date of the Final Approval
5 Hearing; e) the terms of the proposed Settlement and the benefits available to Settlement Class
6 Members thereunder; f) their right to receive their proportionate share of the Net Settlement
7 Amount without the need to return a claim form; g) their right to request exclusion from the
8 settlement and the procedure and deadline for doing so; h) their right to object to the Settlement,
9 and the procedure and deadline for doing so; and i) their right to file documentation in support
10 of or in opposition to, and to appear in connection with, said hearing. The Court further finds that
11 the Class Notice clearly comports with all constitutional requirements, including those of due
12 process. Accordingly, good cause appearing, the Court hereby APPROVES the Class Notice.

13 7. The Court further finds that the mailing of the Class Notice to the last known
14 address of Settlement Class Members as specifically described within the Settlement Agreement,
15 with measures taken for verification of an address and skip tracing set forth therein constitutes
16 an effective method of notifying Settlement Class Members of their rights with respect to the
17 class action and settlement. Accordingly, it is hereby ORDERED, that:

18 A. CPT Group, Inc. be appointed the Settlement Administrator to administer
19 the settlement of this matter as more specifically set forth in the Settlement Agreement.

20 B. The law firms of Cohelan Khoury & Singer and Majarian Law Group,
21 APC be appointed Class Counsel.

22 C. Plaintiff Anthony B. Morris be appointed the Class Representative.

23 D. Within 30 calendar days of Preliminary Approval of the Settlement,
24 Defendants shall transmit to the Settlement Administrator in a readable, ready to use electronic
25 excel format spreadsheet, with a list containing, for each Settlement Class Member, (1) full name;
26 (2) last known mailing address; (3) Social Security Number; (4) number of Weeks Worked during
27 the Class Period; and (5) number of Pay Periods during the PAGA Period (“Class Data”).

28 E. Within 14 days of receipt of the Class Data, the Settlement Administrator

1 shall mail the Notice Packet to each Settlement Class Member. The Notice Packet shall be mailed
2 by first class, regular U.S. mail, using the most current mailing address information available,
3 with measures taken for updating an address as provided by the terms of the Settlement
4 Agreement.

5 F. Within 45 calendar days from the initial date the Settlement Administrator
6 first mails the Class Notice (the "Response Deadline"), Settlement Class Members who wish to
7 exclude themselves from the Class must submit a written request for exclusion in the manner set
8 forth in the Class Notice and such request must be timely faxed, emailed, or postmarked by the
9 Response Deadline. Settlement Class Members who receive a re-mailed Notice Packet shall have
10 their Response Deadline extended (14) calendar days from the original Response Deadline, to
11 submit a request for Exclusion. Consistent with California law, there shall be no right for
12 Aggrieved Employees to request exclusion from the settlement of the PAGA claims.

13 G. On or before the Response Deadline, Settlement Class Members who
14 challenge the number of Class Period Workweeks and PAGA Period Pay Periods (if any) must
15 submit a written explanation to the Settlement Administrator describing why the number of Class
16 Period Workweeks and PAGA Period Pay Periods are incorrect, with any supporting information
17 or documents, as set forth in the Class Notice, timely faxed, emailed, or postmarked by the
18 Response Deadline. Settlement Class Members who receive a re-mailed Notice Packet shall have
19 their Response Deadline extended fifteen (14) calendar days from the original Response
20 Deadline, to postmark a dispute.

21 H. On or before the Response Deadline, Settlement Class Members who wish
22 to submit a written objection to the Settlement, must return to the Settlement Administrator, their
23 written objections which must include, (1) the objector's full name, current address, telephone
24 number, approximate dates of employment, and signature; (ii) what part of the settlement is being
25 objected to, and (iii) the grounds for each objection made, postmarked by the Response Deadline.
26 Class Members may attend the Final Approval Hearing without having to submit a written
27 objection to the Administrator by the Response Deadline.

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1 8. IT IS FURTHER ORDERED that the Final Approval Hearing shall be held before
2 the undersigned at _____ a.m./p.m. on _____, 202__, in Department SS7
3 of the Superior Court of the State of California, County of Los Angeles, located at 312 N. Spring
4 Street, Los Angeles, California 90012, to consider the fairness, adequacy and reasonableness of
5 the proposed Settlement preliminarily approved by this Order of Preliminary Approval, and to
6 consider the application for a Service Payment award to the Plaintiff/Class Representative, for
7 Settlement Administration expenses to CPT Group, Inc., and for Class Counsel's attorneys' fees
8 and litigation expenses incurred. All briefs and materials in support of an Order Granting Final
9 Approval, the Service Payment, Settlement Administration expenses, and Class Counsel's
10 attorneys' fees and litigation costs shall be filed with this Court on or before _____,
11 202__.

12 9. IT IS FURTHER OREDERED that if for any reason the Court does not sign and
13 file an Order Granting Final Approval of Class Action Settlement, the Settlement Agreement
14 shall be treated as if it had been entered, and the Parties shall be restored without prejudice to
15 their status quo ante rights, as specifically set forth in the Settlement Agreement, and expressly
16 reserve their respective rights regarding the prosecution and defense of this Action, including all
17 available defenses and affirmative defenses, and arguments that any claim in the Action could
18 not be certified as a class action and/or managed as a representative action. In such an event, the
19 Court's orders regarding the Settlement, including this Order, shall not be used or referred to in
20 litigation for any purpose. Nothing in this paragraph is intended to alter the terms of the
21 Agreement with respect to the effect of the Agreement if it is not approved.

22 10. Neither the Agreement nor any exhibit, document, or instrument delivered
23 thereunder shall be construed as a concession or admission by Defendants in any way that the
24 claims asserted have any merit or that this Action was properly brought as a class or
25 representative action, and shall not be used as evidence of, or used against Defendants as, an
26 admission or indication in any way, including with respect to any claim of any liability,
27 wrongdoing, fault or omission by Defendants or with respect to the truth of any allegation
28 asserted by any person. Whether or not the Settlement is finally approved, neither the Settlement,

1 nor any exhibit, document, statement, proceeding or conduct related to the Settlement, nor any
2 reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence
3 as, received as or deemed to be evidence for any purpose adverse to the Defendants, including,
4 but not limited to, evidence of a presumption, concession, indication or admission by Defendants
5 of any liability, fault, wrongdoing, omission, concession or damage.

6 11. All proceedings in this matter, except those contemplated by the Settlement
7 Agreement or this Order, are stayed.

8 12. The Court expressly reserves the right to adjourn or continue the Final Approval
9 Hearing from time to time without further notice to Settlement Class Members.

10 IT IS SO ORDERED.

11
12 Dated: _____

13 The Honorable Lawrence P. Riff
14 JUDGE OF THE SUPERIOR COURT
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EXHIBIT 4