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Attorneys for Plaintiffs, on a representative basis and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SAMUEL JOHNSON, individually, on a
representative basis, and on behalf of all
others similarly situated; and JAZMIN
VALERIO individually, on a representative
basis, and on behalf of all others similarly
situated;

Plaintiffs,

vs.

THE J.G WENTWORTH COMPANY, a
California Corporation; SETTLEMENT
FUNDING LLC, a California Corporation;
and DOES 1 through 20, inclusive;

Defendants.

Case No.: 37-2022-00048277-CU-OE-CTL
*[Assigned to Hon. Katherine Bacal, Dept C-
69, for all purposes]*

**DECLARATION OF BRIAN J. MANKIN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing

Date: January 5, 2024

Time: 1:30 p.m.

Dept.: C-69

Complaint filed: 12/1/2022

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I manage the employment department within my firm where I am also a Partner. I represent Plaintiffs in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would

competently testify thereto.

COUNSEL'S EXPERIENCE

2. I have been a member, in good standing, of the State Bar of California since 2001. I am admitted to practice in the United States District Courts for the Central and Southern District of California and the Ninth Circuit Court of Appeal and have tried cases in various courts in California.

3. I have handled over 500 employee vs. employer litigation matters during my 22 years in practice. Over the last 15 years, my practice has almost entirely consisted of representing employees, the majority of which has included class action and representative action wage and hour matters. In total, I have handled over 250 class action and representative action wage/hour cases, and have been appointed by the court as class counsel and have received final court approval and judgment in close to half of those actions to date, and anticipate receiving final approval in many more of those in the future.

4. As part of these settlements and judgments, I have recovered in excess of \$250 million in damages for my clients and the class members (who often work as nurses, ambulance drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and countless other trades). As of the end of last year, my team and I held the record for the largest known PAGA-only case in California's history as of that time - a \$12.5 million-dollar court approved settlement, which followed extensive litigation, summary adjudication and writs to the CA Supreme Court against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior Court).

5. I have tried two class and PAGA cases against Fortune 100 companies. In 2018, I was lead counsel in a PAGA case that my firm tried to the bench in the Orange County Superior Court and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case against Walmart that was tried to the jury in District Court for the Central District, wherein the jury awarded Plaintiffs over \$6 million. Following the successful outcome in trial, both cases were appealed.

1 6. I was named by the LA Times as one “Southern California Leading Lawyers” in
2 the May 2023 issue of Consumer Attorney’s of Southern California (a recognition given to 17
3 employment/labor law attorneys in 2023). Additionally, over the last five consecutive years, I
4 have been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that
5 only 5% of lawyers receive.

6 **BRIEF SUMMARY OF THE SETTLEMENT**

7 7. Following a contested mediation, Plaintiffs and Defendants (collectively, the
8 “Parties”) reached a global settlement and eventually entered into a Class and PAGA Action
9 Settlement Agreement and Release of Claims resolving the wage and hour claims of the
10 putative class (the “Settlement Agreement” or “S.A”), which is attached hereto as **Exhibit 1**.
11 The Settlement Agreement seeks to release and discharge Defendants from the claims brought
12 against them in exchange for their agreement to pay an additional \$250,000 on a non-
13 reversionary, non-claims made basis (each Class Member will receive his/her share of the Net
14 Settlement Amount without having to submit a claim form or take any action, except for those
15 who opt-out), which is in addition to the \$186,000 Prior Payment that Defendants issued to the
16 Previously Paid Settlement Class Members. The \$186,000 Prior Payment plus the \$250,000
17 Settlement Amount, results in a Gross Combined Payment of \$436,000.

18 8. Plaintiffs seek to represent a class of all current and former non-exempt
19 employees employed by Defendants The J.G. Wentworth Company and Settlement Funding
20 LLC in California at any time during the Class Period (which is December 1, 2018, through
21 December 4, 2023).

22 Under the terms of the Settlement Agreement, Defendants will not oppose Class
23 Counsel’s application for a reasonable award of attorneys’ fees not to exceed 30% of the Gross
24 Combined Payment, Class Counsel’s litigation expenses not to exceed \$20,000, settlement
25 administrator costs of \$6,000, PAGA Penalties of \$25,000 of which \$18,750 will be paid to the
26 LWDA and the remaining \$6,250 will be paid to the Aggrieved Employees, and a service
27 award not to exceed \$7,500 to each Plaintiff. The following is a breakdown reflecting how the
28 funds are allocated under the Settlement Agreement:

<i>Gross Combined Amount</i>	\$ 436,000.00
Credit for the Prior Payment	\$ 186,000.00
Attorneys' Fees (30%)	\$ 130,800.00
Litigation Costs	\$ 20,000.00
Administrator Costs	\$ 6,000.00
PAGA Penalties	\$ 25,000.00
Class Representative Service Awards	\$ 15,000.00
<i>Net Settlement Amount</i>	\$ 53,200.00

9. The 15 Previously Paid Settlement Class Members have already been paid for their claims and thus are not eligible for Individual Class Payments, but they will be eligible to receive \$250 each for releasing the Released Class Claims (\$3,750 total from the Net Settlement Amount), and if they qualify as an Aggrieved Employees, they will also be eligible to receive an Individual PAGA Payment.

10. The remainder of \$49,450 will be paid to approximately 55 Class Members, who will receive an average payment of approximately \$900 each (\$49,450 / 55). However, the actual payment will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. In addition, the PAGA Members will receive a share of the \$6,250 in PAGA Penalties (25% of the total \$25,000 allocation), calculated pro-rata based on number of Pay Periods worked during the period of December 1, 2021, through December 4, 2023 (the "PAGA Period").

11. Each Class Member will receive the Class Notice (which is attached as **Exhibit 2**), explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of Workweeks he/she is credited with working during the Class Period and PAGA Period.

PROCEDURAL BACKGROUND

12. My office has performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant settlement fund for the benefit of the Class. We efficiently communicated and

1 exchanged information informally with Defense counsel which enabled the parties to
2 successfully settle the case. Because of the risks involved in litigating the case and the contested
3 legal and factual issues, my office believes this settlement to be fair, reasonable, and adequate.

4 13. After being retained by Plaintiff Johnson, we submitted on December 1, 2022, a
5 letter to the California Labor Workforce Development Agency (the "LWDA") for civil penalties
6 under the Private Attorney General Act of 2004 (the "PAGA"), which is attached as **Exhibit 3**,
7 and simultaneously sent a letter to Defendants requesting the production of Plaintiff's personnel
8 and timekeeping records to further evaluate the wage and hour claims. The LWDA ultimately
9 declined to assert jurisdiction over the PAGA, thereby giving Plaintiff the right to bring PAGA
10 claims.

11 14. That same day, while the 65-day waiting period was running to commence PAGA
12 claims, Plaintiff Johnson filed a class action complaint alleging causes of action against
13 Defendants for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure
14 to provide meal periods; (4) failure to provide rest breaks; (5) failure to timely pay final wages;
15 (6) failure to provide accurate itemized wage statements; and (7) unfair and unlawful
16 competition. The LWDA did not assert jurisdiction over the PAGA claims, so on February 15,
17 2023, Plaintiff Johnson filed a first amended complaint adding PAGA claims.

18 15. Defendants retained counsel and immediately began to defend the case.
19 Thereafter, in or around March 2023, Plaintiffs' counsel was informed that Defendant was
20 making individual payments for the alleged violations to the Previously Paid Settlement Class
21 Members. Plaintiff argued that the payments did not eliminate the ability of those individuals to
22 also recover some amounts through this litigation, and vowed to continue with litigation as to
23 these individuals, as well as all 55 individuals who did not receive a payment. Ultimately, the
24 Parties agreed to attend private mediation.

25 16. On or about May 6, 2023, Plaintiff Jazmin Valerio formally retained Plaintiffs'
26 counsel and agreed to serve as a Class Representative in this matter.

27 17. In preparation for the mediation, the Parties informally exchanged documents and
28 information that allowed both sides to calculate the potential damages and evaluate potential risk,

1 including policies and procedures pertaining to each claim alleged, and statistics relating to the
2 number of current and former employees, number of shifts, pay periods worked and other things.
3 Defendants also provided their written policies and practices and a robust sampling of payroll
4 and timekeeping records for Class Members. This information enabled both parties to take a
5 deep dive into the claims. Additionally, during this process, Plaintiffs and their counsel
6 analyzed, researched, and investigated the potential issues, including matters related to the
7 calculation of damages, trial, and appellate issues and risks.

8 18. On July 11, 2023, Plaintiffs and Defendants participated in mediation before
9 Glenn Lerman, Esq., a well-respected wage-and-hour mediator. At the conclusion of mediation
10 and extensive arms-length negotiations, the Parties reached a global settlement and thereafter
11 finalized into Settlement Agreement, which requires Plaintiffs to file a Second Amended
12 Complaint to encompass all claims alleged and resolved at mediation. The Parties are
13 concurrently submitting a stipulation to file the proposed Second Amended Complaint.

14 19. Notably, the Parties finalized all terms of the Settlement Agreement on the day
15 that the motion for preliminary approval was due, and therefore, the Parties were unable to
16 obtain all signatures. As such, Plaintiffs are filing an unsigned copy of the Agreement, but will
17 file a supplemental declaration containing the fully signed version as soon as it is available.

18 **THE WAGE AND HOUR CLAIMS, CLASS COUNSEL’S INVESTIGATION, AND**
19 **EVALUATION OF THE SETTLEMENT**

20 20. The putative Class in this case consists of approximately 55 similarly situated
21 current and former nonexempt employees of Defendants in California at any time during the
22 Class Period (who are not Previously Paid Class Members). Plaintiffs alleged numerous wage
23 and hour violations on behalf of the Class Members. However, Defendants vigorously contested
24 and denied each of Plaintiffs’ material allegations on the merits and as to the propriety of a class
25 action or PAGA representative action, as discussed herein.

26 21. In preparation for mediation, Misty Lauby, a partner within my firm, and I
27 formulated a damages model and risk analysis based upon detailed data obtained through
28 informal discovery and information exchanges. The summary of the claims below is based on

1 calculations by our expert and us, and the risks that we potentially faced, giving significant credit
2 to the defenses that Defendants raised or would like raise in further proceedings. Following the
3 informal exchange and other information provided by Defendants, we estimated the following
4 data points through the date of mediation: (1) 71 class members, (2) 50 class members that
5 separated from employment during the 3-year lookback for Labor Code § 203, (3) 2,200
6 workweeks, (4) 10,223 shifts worked, and (4) approximately 615 wage statements during the
7 PAGA Period. From these metrics, and when factoring in claim certification probabilities and
8 liability probabilities, we formulated detailed damages models to value the claims in preparation
9 for mediation and to reach a realistic and reasonable resolution.

10 22. Here, there were three categories of claims alleged by Plaintiffs: (1) unpaid wage
11 claims under various theories, (2) meal and rest break violations, and (3) derivative claims for
12 waiting time and wage statement penalties due to the other alleged violations.

13 23. As to the unpaid wage claims, Plaintiffs alleged two distinct theories of liability.
14 First, Plaintiffs alleged that Defendants instructed Plaintiffs and Class Members to change their
15 time entries for the Defendants to avoid paying overtime premiums. Instead of paying overtime
16 premiums, the Defendants instructed the Plaintiff and Class Members that they could take time
17 off on a subsequent day and record the time as regular, base rate hours. Defendants even named
18 this illegal practice, “flex” time. However, since the pressure to meet quotas was never off, it was
19 unclear how the Class Members could even “flex” the overtime hours to sometime later without
20 hurting their bottom line later. This had an added effect of decreasing overtime premiums that
21 should have been paid on commissions earned during weeks where the overtime was actually
22 worked, resulting in a systematic underpayment to the Class. Second, Plaintiffs alleged that
23 Defendants failed to pay proper overtime when Defendants failed to account for off-the-clock
24 work before and after each shift. In total, Plaintiffs’ counsel estimated the maximum value of
25 these unpaid wages to be approximately \$357,524.

26 24. However, Defendants vehemently opposed these unpaid wage claims on the
27 merits and as to the propriety of class certification. For example, as to the unpaid “flex time”
28 claim, Defendants argued that that Class Members were not required to work any overtime and

1 were discouraged from doing so. Moreover, in addition to its other defenses on the merits,
2 Defendants argued that Plaintiffs would be unable to meet its evidentiary burden at summary
3 judgment and/or trial because Plaintiffs and the Class would be unable to introduce evidence as
4 to the amount of unpaid wages (since the claims are not apparent from the timekeeping records
5 alone), thus defeating liability. Additionally, Defendant claimed that 63 of the 71 current and
6 former Class Members signed arbitration agreements precluding Plaintiffs from representing
7 them in a class action. Finally, Defendant argued that after the case was filed, they paid out
8 \$186,000 to 15 employees who worked 1,618 of the 2200 workweeks at issue. Due to these
9 defenses and arguments, Plaintiffs assigned a 30% risk for the unpaid wage claims at the class
10 certification stage. And, due to the defenses as to the merits, Plaintiff assigned a 20% risk on the
11 wage claim. In sum, Plaintiffs' counsel calculated the risk-adjusted value of the unpaid wage
12 claims as \$200,213.00.

13 25. Plaintiffs also alleged meal and rest break claims against Defendants. Given the
14 total number of shifts at issue (an estimate of 10,223), and when incorporating violation rates
15 from expert review of the timekeeping records and other evidence, Plaintiffs' counsel estimated a
16 36.3% violation rate for meal breaks and a 50% violation rate for rest breaks, leading to 3,707
17 alleged meal violations and 5,112 alleged rest break violations. This established a maximum
18 potential value for these claims of \$164,474 (8,819 violations multiplied by the average hourly
19 rate of \$18.65 as the applicable premium rate under § 226.7).

20 26. However, Defendants raised numerous arguments in response to this claim,
21 including that it maintained fully compliant written policies and specifically authorized the Class
22 Members to take meal and rest breaks, meaning that no one had a reason or cause to miss a break
23 or take a short/late break. Therefore, Defendants asserted that a fact-finder would have to
24 determine for each Class Member whether a break was missed and why, and why a break was
25 noncompliant or nonexistent, because if it was by the employee's choice, no liability attaches to
26 Defendant. These defenses are factored into Plaintiffs' analysis in two ways. First, these issues
27 raise questions regarding whether the meal and rest break claims could be certified, and second
28 these defenses also go toward the merits given the evidentiary question of proving the number of

1 meal and rest violations. As such, Plaintiffs placed a 30% risk on the merits and at class
2 certification on the meal break claim (\$33,875 risk adjusted value), and a 50% risk on the rest
3 break claim at each stage (\$23,835 risk adjusted value), resulting in a risk-adjusted value for the
4 combined meal and rest break claims at \$57,710.

5 27. Finally, Plaintiffs alleged claims for waiting time penalties and wage statement
6 violations. But these claims were entirely derivative of the claims above, meaning that they only
7 had merit if the claims for unpaid wages or meal/rest breaks were successful. The maximum
8 values for these claims were as follows: (1) \$237,788 for waiting time penalties [50 former
9 employees x \$18.65 per hour x 8.50 hours per day x 30 days], and (2) \$58,500 for wage
10 statement violations [615 wage statements at the \$50/\$100 formula under § 226(e)]. But
11 Defendants raised a variety of defenses to these derivative claims that impacted the valuation.
12 Namely, as to the wage statement violations, Defendants argued that its wage statements did not
13 violate Labor Code § 226 and, even if there was a “technical” violation, that Plaintiffs would be
14 unable to prove the required “knowing and intentional” and “injury” elements. Based on these
15 facts and defenses, Plaintiffs placed a nominal 20% risk at class certification (mirroring the
16 claims on which the wage statement claim was based) and estimated another 20% risk the merits,
17 leading to a risk-adjusted value of \$37,440 for the wage statement claims.

18 28. Then, as to the waiting time penalty claim, Plaintiffs’ valuation had to account for
19 the fact that this claim was derivative of the unpaid wage and meal/rest break claims (*e.g.*, the
20 unpaid wage premiums) and, if those claims failed at certification or on the merits, there would
21 be no waiting time penalties owed, so the same risks for those claims applied to this claim.
22 Furthermore, even if the unpaid wage and/or meal/rest claims succeeded at certification and on
23 the merits, Plaintiff would have to prove that the violations (if any existed) were “willful” under
24 the meaning of Labor Code § 203. And, here, Defendants argued that there could not be a
25 finding of a “willful” violation since they had compliant written policies and any deviations
26 therefrom were inadvertent and unintentional. As a result of this analysis, Plaintiffs’ counsel
27 applied a 20% risk at class certification and a 20% risk on the merits, leading to a risk-adjusted
28 value of \$152,184.

29. In sum, when factoring in the defenses and risks of ongoing litigation, Plaintiffs estimate the risk-adjusted class recovery as follows:

• Unpaid Wage Claims	\$ 200,213
• Meal and Rest Break Claims	\$ 57,710
• Wage Statement Claims	\$ 37,440
• Waiting Time Penalty Claims	<u>\$ 152,184</u>
• Total Risk Adjusted Penalties and Damages	\$ 447,548

30. And while the PAGA penalties had a maximum value in the mid six figures, this fails to acknowledge that courts have wide latitude to reduce the civil penalties “based on the facts and circumstances of a particular case” and if “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Labor Code § 2699(e)(2). Moreover, Defendants argued against the merits of the underlying claims and particularly that the “willfulness” standard and/or “good faith” defenses mitigated the civil penalty claims and rendered any such penalties as uncertain. Defendants also argued it is improper to stack civil penalty claims on top of underlying statutory claims. For these reasons, the Parties submit that this settlement is fair and reasonable.

THE SETTLEMENT IS FAIR, JUST, AND REASONABLE

31. The settlement was the product of extensive arm’s length negotiations, facilitated by an experienced mediator. Though cordial and professional, the settlement negotiations were adversarial and non-collusive in nature. The settlement reached is the product of substantial effort by the parties and their counsel. Although we believed that there was a possibility of certifying the claims, we recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate.

32. The settlement will result in a fair payment to each class member based on the number of Weeks Worked during the Class Period. As set forth hereinabove, Plaintiffs and their counsel have diligently investigated the claims and defenses on behalf of the Class Members and worked to achieve a resolution of the claims to maximize the recovery by avoiding further

1 expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with
2 further litigation described above and weighing them against the benefits of a known
3 compromise and settlement as set forth in the Settlement Agreement, settlement on the terms
4 agreed to is believed to be in the best interest of Plaintiffs and the Class, and is a fair and
5 reasonable resolution of the claims alleged.

6 33. Plaintiffs' counsel brought to bear a great deal of experience in negotiating the
7 settlement of this case. As detailed herein, Plaintiffs' counsel engaged in the necessary discovery
8 and investigation, making it possible to exercise informed judgment throughout the settlement
9 process, including significant document review (*e.g.*, documents pertaining to Defendants'
10 policies and procedures, personnel documents, among others), and conducted an extensive
11 analysis of the detailed class-wide data provided by Defendants.

12 34. Based on my experience in other cases, including wage and hour matters, I
13 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
14 In this case, the recovery for each class member is reasonable, fair, and adequate, and a
15 settlement at this time is in the best interests of the class. The settlement provides each class
16 member with compensation for the alleged violations when viewed in relation to the costs and
17 risks inherent in obtaining class certification and proceeding to trial.

18 35. Plaintiffs' counsel, as well as Defense counsel, fully endorse the terms and
19 conditions of the settlement as set forth in the abovementioned Settlement Agreement.

20 36. Of course, the settlement amount represents a compromise figure, taking into
21 account the various risks surrounding class certification and the merits of Defendants' asserted
22 defense. Nevertheless, the settlement provides for fair and adequate payments to the class
23 members, with no reversion to Defendants.

24 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

25 37. Plaintiffs seeks an enhancement payment of \$7,500 each for their service to the
26 Class, which I believe is fair and warranted. They came forward in an effort to effectuate a
27 policy and practice change that benefitted all other Class Members, and to recover unpaid wages.
28 They assumed significant risk in bringing this litigation—namely, had they lost, they could have

1 been ordered to pay Defendants' costs.

2 38. Plaintiffs provided invaluable assistance to my office and the Class in this case,
3 including providing factual background for the Class Complaint; reviewing the litigation
4 documents; providing information and documents about Defendants' policies and practices;
5 participating in phone calls to discuss litigation and settlement strategy; and reviewing the
6 settlement documents. Plaintiffs agreed to participate in this case with no guarantee of personal
7 benefit. At final approval, Plaintiffs will submit a comprehensive declaration setting forth all of
8 the reasons why she believes that the service award should be approved.

9 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
10 **REQUESTED FEES AND COSTS**

11 39. As set forth above, I have handled well over 250 class and representative actions,
12 have been appointed as class counsel and have successfully resolved over half of those cases, and
13 many others remain pending and will successfully resolve in the future.

14 40. When this case was taken on a contingency fee basis, with my firm agreeing to
15 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
16 course of this litigation, my firm paid all costs including filing fees, court costs, research fees,
17 and mediation costs. There was never a guarantee that we would recoup those expenditures.

18 41. In this case, Plaintiff's counsel agreed to seek 30% of the Gross Combined
19 Payment for attorneys' fees, recognizing that Plaintiffs' counsel was the catalyst for Defendants
20 issuing the \$186,000 Prior Payment. Defendants do not oppose this fee request. The fee is further
21 warranted because it is within the range of reasonableness typically awarded in class actions. The
22 litigation costs are reasonably capped at \$20,000 and will be based on the actual amount of costs
23 incurred at the time of final approval.

24 **SETTLEMENT ADMINISTRATOR**

25 42. The parties request that the Court appoint Phoenix Settlement Administrators to
26 serve as the Settlement Administrator. Phoenix is experienced in administering class action
27 settlements, and has provided a proposal to administer this settlement for a total of \$6,000, which
28 is attached hereto as **Exhibit 4**.

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EXHIBITS AND CONCLUSION

45. The proposed Class Notice is attached as **Exhibit 2**.

47. Phoenix's proposal to administer the Settlement is attached hereto as **Exhibit 4**.

49. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the settlement as being fair, reasonable, and in the best interests of the Class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement of the settlement to the Class Representatives.

By: Brian J. Mankin
Brian J. Mankin, Esq.

EXHIBIT “1”

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FUNDING LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SAMUEL JOHNSON and JAZMIN
VALERIO, individually, on a representative
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THE J.G WENTWORTH COMPANY, a
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and DOES 1 through 20, inclusive;

Defendants.

Case No.: 37-2022-00048277-CU-OE-CTL
*[Assigned to Hon. Katherine Bacal, Dept C-
69, for all purposes]*

**CLASS AND PAGA SETTLEMENT
AGREEMENT AND RELEASE OF
CLAIMS**

1 This Class Action and PAGA Settlement Agreement and Release of Claims is entered
2 into by and between Plaintiffs Samuel Johnson and Jazmin Valerio, individually and on behalf of
3 all others similarly situated, and on behalf of the State of California, and Defendants The J.G.
4 Wentworth Company and Settlement Funding LLC, and is approved by their respective counsel
5 of record, subject to the terms and conditions hereof and the Court's approval.

6 **A. Definitions**

7 1. "Action" or "Lawsuit" means and refers to the case entitled *Johnson v. The J.G.*
8 *Wentworth Company, et al.*, San Diego County Superior Court, Case No. 37-2022-00048277-
9 CU-OE-CTL, which was initiated on December 1, 2022.

10 2. "Aggrieved Employee(s)" means current and former nonexempt employees
11 employed by Defendant in California during the PAGA Period.

12 3. "Agreement" or "Settlement Agreement" or "Settlement" shall mean this Class
13 Action and PAGA Settlement Agreement and Release of Claims.

14 4. "Class" is defined all current and former nonexempt employees employed by
15 Defendant in California during the Class Period.

16 5. "Class Member(s)" refers to individual members of the Class.

17 6. "Class Counsel" refers to Brian Mankin and Misty Lauby of Lauby, Mankin &
18 Lauby LLP.

19 7. "Class Data" means a complete list that Defendants will diligently and in good
20 faith compile from their records and provide to the Settlement Administrator on one spreadsheet
21 which shall include, for each Class Member: the individual's full name; last known address;
22 Social Security Number; total Weeks Worked during the PAGA Period and the Class Period; and
23 whether the Class Member received a Prior Payment.

24 8. "Class Period" is deemed to be any time during the period of December 1, 2018,
25 through December 4, 2023.

26 9. "Class Representatives" or "Plaintiffs" means and refers to Plaintiffs Samuel
27 Johnson and Jazmin Valerio.

28 10. "Complaint" refers to the operative first amended complaint, which pleads class

1 action and PAGA representative claims, as well as the to-be-filed Second Amended Complaint
2 which will allege the same claims as the first amended complaint and add Jazmin Valerio as a
3 named Plaintiff.

4 11. “Court” (or “Judge”) means the California Superior Court, County of San Diego.

5 12. “Defendants” collectively means and refers to Defendants The J.G. Wentworth
6 Company and Settlement Funding, LLC.

7 13. “Defendants’ Counsel” or “Defense Counsel” means and refers to Troutman
8 Pepper.

9 14. “Effective Date” means the latest of the following dates: (a) the date which is
10 sixty (60) days after final approval and judgment is entered if no notice is filed within that time
11 seeking to appeal or vacate that final approval and judgment; or (b) if a notice to appeal or vacate
12 is filed, or any other legal challenge to the Settlement is filed, the date upon which all appellate
13 and/or other proceedings resulting from the notice of appeal or challenge have been finally
14 terminated in such a manner as to permit the final award to take effect in substantially in the
15 form described herein, and the final approval is no longer subject to further judicial review.

16 15. “Final Approval” refers to the order of the Court granting final approval of this
17 Settlement Agreement and entering a judgment approving this Agreement on substantially the
18 terms provided herein or as may be modified by subsequent agreement of the Parties.

19 16. “Flat \$250 Payment” refers to an additional \$250 payment that will be paid to
20 each Previously Paid Class Members in addition to their share of the Prior Payment in exchange
21 for releasing the Released Class Claims, totaling up to \$3,750.

22 17. “Gross Combined Payment” is \$436,000, which includes the Settlement Amount
23 to be paid by Defendants upon the Effective Date occurring, plus the Prior Payment.

24 18. “Individual Class Payment” refers to each Participating Class Members share of
25 the Net Settlement Amount, as further discussed in Paragraph 50(h) below. Previously Paid
26 Class Members are not eligible to receive an Individual Class Payment.

27 19. “Individual PAGA Payment” refers to each Aggrieved Employees share of the
28 PAGA Penalties, as further discussed in Paragraph 50(g) below.

1 20. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 50(b)
2 below.

3 21. “Notice” or “Notice Packet” means the notice of proposed class settlement that
4 will be sent to the Class Members, and which will advise each Class Member of the settlement
5 and his or her estimated Individual Class Payment and Individual PAGA Payment and will
6 further advise of the setting of a Final Approval Hearing.

7 22. “Objecting Class Member” means a Class Member, other than Plaintiffs, who
8 submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 71(c)
9 below.

10 23. “PAGA Penalties” means the amount that the Parties have agreed to pay to the
11 Labor and Workforce Development Agency (“LWDA”) in connection with the California Labor
12 Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”), as well
13 as the individual PAGA payment allocated to each Aggrieved Employee.

14 24. “PAGA Period” is deemed to be any time during the period of December 1, 2021,
15 through December 4, 2023.

16 25. “Participating Class Member” means any and all Class Members who are deemed
17 to participate and receive an Individual Class Payment or Flat \$250 Payment and do not opt-out
18 by submitting timely valid Requests for Exclusion.

19 26. “Parties” or “Settling Parties” mean Plaintiffs and Defendants, collectively.

20 27. “Preliminary Approval Date” means the date the Court approves the Settlement
21 Agreement and enters the Preliminary Approval Order.

22 28. “Preliminary Approval Order” means the judicial Order to be entered by the
23 Court, upon the application or motion of the Plaintiffs, preliminarily approving this Settlement
24 and providing for the issuance of the Notice to the Class, an opportunity to opt out of the
25 Settlement, an opportunity to submit timely objections to the Settlement, and setting a final
26 approval hearing on the fairness of the terms of Settlement, including approval of attorneys’ fees
27 and costs. Provided that the motion is consistent with the terms herein, Defendants will not
28 object to Plaintiffs’ motion for preliminary approval but will be provided with an opportunity to

1 review and comment upon the motion before it is filed.

2 29. “Previously Paid Class Members” refers to 15 Class Members who collectively
3 received the Prior Payment to settle their individual wage claims based on their accounting of
4 previously unreported hours and/or missed meal periods and rest breaks to Defendants.

5 30. “Prior Payment.” Prior to mediation, Defendants paid \$186,000 to the Previously
6 Paid Class Members. As a result of the Prior Payment, Defendants shall be entitled to a credit of
7 \$186,000 toward the Gross Combined Payment. Thus, upon the Effective Date occurring,
8 Defendants shall be required to fund the Settlement Amount, plus the employer’s share of
9 payroll taxes due on the wage portion of the Individual Class Payments and Flat \$250 Payment
10 to Participating Class Members.

11 31. “QSF” means the Qualified Settlement Fund set up by the Settlement
12 Administrator for the benefit of the Participating Class Members and Aggrieved Employees, and
13 from which the settlement payments shall be made.

14 32. “Released Class Claims” or “Class Claims” by the Participating Class Members
15 upon Final Approval of the Settlement will include all claims which were pled or reasonably
16 could have been pled against the Released Parties arising out of the same facts in the Complaint
17 and the PAGA notice, including, but not limited to: (a) failure to pay minimum wages, (b) failure
18 to pay overtime wages, (c) failure to provide meal periods, (d) failure to provide rest breaks, (e)
19 failure to failure to timely pay wages upon separation of employment, (f) failure to provide
20 accurate itemized wage statements, (g) unfair and unlawful competition, and (h) all other claims
21 for statutory penalties based on the facts or claims alleged in the Complaint. The time period
22 governing the Released Class Claims shall be any time during the Class Period.

23 33. “Released PAGA Claims” means any and all PAGA claims that Plaintiffs alleged
24 against the Released Parties based on the facts alleged in the relevant LWDA notice letters or the
25 Complaint, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay
26 minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4)
27 failure to provide rest breaks, (5) failure to timely pay wages each period, (6) failure to timely
28 pay wages upon separation of employment, (7) failure to provide accurate itemized wage

statements, and (9) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged in the LWDA notice letters or Complaint. The time period governing the Released PAGA Claims shall be any time during the PAGA Period.

34. “Released Parties” means Defendants and their agents and affiliates (e.g., JGW Debt Resolution, LLC), their parents, subsidiaries, directors, owners, shareholders, officers, attorneys, servants, joint employers and employees, past and present, and each of them and anyone acting in concert with foregoing.

35. “Response Deadline” is 30 calendar days from the date the Notice is mailed to the Class Members.

36. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 71(a) below.

37. “Settlement Amount.” Upon the Effective Date occurring, Defendants shall pay \$250,000 under the Settlement, plus Defendants’ share of payroll taxes. The Settlement Amount is in addition to the Prior Payment that Defendants have already funded. The Settlement Amount and the Prior Payment shall collectively be referred to as the Gross Combined Payment.

38. “Service Payment” or “Service Award” means the amount approved by the Court to be paid to Class Representatives Samuel Johnson and Jazmin Valerio in addition to their Individual Class Payment as Participating Class Members and Individual PAGA Payment as an Aggrieved Employees, not to exceed \$7,500 per Class Representative.

39. “Settlement Administrator” means and refers to Phoenix Settlement Administrators, the third-party class action settlement administrator agreed to by the Parties, that will provide the Notice Packet to the Class Members and distribute the Settlement Amounts as described in this Agreement.

40. “Settlement Administration Costs” means the costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, and deposit of the employee and employer share of payroll taxes, unclaimed property due diligence,

1 reporting and remittance obligations, distributing the Settlement Amount, and providing
2 necessary reports and declarations, as requested by the Parties. The Settlement Administration
3 Costs shall be paid from the Settlement Amount, and shall not exceed the amount approved by
4 the Court, regardless of any additional costs that the Settlement Administrator may request or
5 feel is necessary to administer the Settlement.

6 41. “Work Weeks” or “Weeks Worked” in the context of a Class Members means the
7 number of calendar work weeks which the Class Member actually performed work for
8 Defendants during the Class Period. Likewise, in the context of Aggrieved Employees, it means
9 the number of calendar work weeks which the Aggrieved Employee actually performed work for
10 Defendants during the PAGA Period. Workweeks worked shall be calculated by Defendants
11 using pay periods which reflect payment for work performed that week. All partial Work Weeks
12 shall be rounded up to the next whole number.

13 **B. General Terms**

14 42. On December 1, 2022, Plaintiff Samuel Johnson filed the instant class action,
15 alleging that Defendants The J.G. Wentworth Company and Settlement Funding, LLC, violated
16 various sections of the Labor Code. On the same day, Plaintiff Johnson gave written notice by
17 online filing to the Labor and Workforce Development Agency (“LWDA”) and by certified mail
18 to Defendants of the specific provisions of the Labor Code alleged to have been violated,
19 including the facts and theories to support the alleged violations. The LWDA declined to assert
20 jurisdiction over the PAGA claims, so on February 15, 2023, Plaintiff Johnson filed a First
21 Amended Complaint adding causes of action under PAGA. Defendants filed their Answer to the
22 First Amended Complaint on March 16, 2023. Subsequently, Plaintiff advised of an intent to
23 add Jazmin Valerio as a named Plaintiff, and the Parties will file a stipulation and order to amend
24 the complaint to add Ms. Valerio to the case.

25 43. Defendants deny Plaintiffs’ claims and allegations and contend that the Action is
26 not suitable for class certification.

27 44. The Class Representatives believe they can proceed with the representative and
28 class claims, that the Action is meritorious, and that class certification is appropriate.

1 45. The Parties have conducted a thorough investigation into the facts of the Action.
2 This includes serving written discovery and conducting an extensive exchange of informal
3 discovery, including a sampling of payroll and timekeeping records for Class Members. Class
4 Counsel is both knowledgeable about and has done extensive research with respect to the
5 applicable law and potential defenses to the claims of the Class. Class Counsel has diligently
6 pursued an investigation of the Class Members' claims against Defendants. Based on the
7 foregoing data and on their own independent investigation and evaluation, Class Counsel is of
8 the opinion that the settlement with Defendants for the consideration and on the terms set forth in
9 this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
10 Members in light of all known facts and circumstances, including the risk of significant delay
11 and uncertainty associated with litigation, various defenses asserted by Defendants, and
12 numerous potential appellate issues.

13 46. Prior to mediation, Defendants issued the Prior Payment to the Previously Paid
14 Class Members, and then on July 11, 2023, Plaintiffs and Defendants participated in a full-day
15 mediation with Glenn Lerman, a well-respected wage-and-hour mediator. At the conclusion of
16 mediation and extensive arms-length negotiations, the Parties reached a global settlement and
17 entered into a Memorandum of Understanding. Under the Settlement, Defendants will pay the
18 Settlement Amount (which will be in addition to the Prior Payment), which will ensure that all
19 Class Members, Aggrieved Employees and LWDA receive a fair and reasonable payment in
20 exchange for a release of the Released Class Claims and Released PAGA Claims, respectively.
21 Furthermore, under the Settlement, the Parties agreed that Plaintiffs will file a second amended
22 complaint to add Jazmin Valerio as a named Plaintiffs by way of a stipulation and order.

23 47. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
24 to be performed or judgment to be entered pursuant to the terms of the Settlement Agreement,
25 shall be construed as an admission by Defendants of any wrongdoing or violation of any statute
26 or law or liability on the claims or allegations in the Action.

27 48. Stipulation for Class Certification. For settlement purposes only, Defendants will
28 stipulate that the Class Members described herein who do not submit a timely Request for

1 Exclusion from the Class may be conditionally certified as a Class. This stipulation to
2 certification is in no way an admission that class action certification is proper and shall not be
3 admissible in this Action except for the sole purposes of enforcing this Agreement. Should, for
4 whatever reason, the Court fails to issue Final Approval, the Parties' stipulation to class
5 certification as part of the Settlement shall become null and void ab initio and shall have no
6 bearing on, and shall not be admissible in this Action in connection with, the issue of whether
7 certification would be appropriate in a non-settlement context. Defendants expressly reserve
8 their rights and declare that they would continue to oppose class certification and the substantive
9 merits of the case should the Court fail to issue Final Approval. Plaintiffs expressly reserve their
10 rights and declare that they will continue to pursue class certification and a trial should the Court
11 fail to issue Final Approval.

12 **C. Terms of Settlement**

13 49. The financial terms of the Settlement are as follows:

14 (a) Settlement Amount: The Parties agree to settle this Action for the
15 Settlement Amount, which is the maximum amount that will be paid by Defendants (except for
16 the employer's share of payroll taxes) and is in addition to the Prior Payment. The Settlement
17 Amount is inclusive of payments to the Participating Class Members, PAGA Penalties (to the
18 Aggrieved Employees and LWDA), Attorneys' Fees and Costs Award, the Service Payments to
19 the Class Representatives, and Settlement Administration Costs. Defendants shall separately pay
20 the employers' share of their payroll tax obligations, which shall be reported through the
21 Settlement Administrator.

22 (b) Net Settlement Amount: The following amounts, if approved by the
23 Court, will be subtracted from the \$436,000 Gross Combined Payment to derive the Net
24 Settlement Amount: (1) the \$186,000 Prior Payment; (2) the Flat \$250 Payments to each
25 Previously Paid Class Member; (3) Attorneys' Fees and Costs Award, (4) the Service Award to
26 the Class Representatives as awarded by the Court, (5) the Settlement Administration Costs, and
27 (6) PAGA Penalties, as set forth below in Section C.50.(c)-(g). If the Court reduces the
28 Attorneys' Fees and Costs Award, Service Award, or Settlement Administrator Costs, or either

1 increases or decreases the amount allocated to the PAGA Penalties, the difference shall be placed
2 in the Net Settlement Amount and allocated to the Participating Class Members who are not
3 Previously Paid Class Members.

4 (c) Flat \$250 Payment to the Previously Paid Class Member: The Previously
5 Paid Class Members have already received a share of the Prior Payment for the alleged claims,
6 and were not required to sign a release agreement. Thus, under this Agreement, each Previously
7 Paid Class Members shall be eligible to receive a Flat \$250 Payment. Previously Paid Class
8 Members are not eligible to receive an Individual Class Payment.

9 (d) Service Payment to Class Representative: The amount, if any, awarded to
10 the Class Representatives as a Service Payment will be set by the Court in its discretion, not to
11 exceed \$7,500 each, in exchange for the service that Plaintiffs performed on behalf of the Class.
12 Defendants agree not to oppose this request. The Service Payment to Plaintiffs will be paid out
13 of the Settlement Amount. The Class Representatives will be issued an IRS Form 1099 in
14 connection with this payment. Plaintiffs shall be solely and legally responsible to pay any and
15 all applicable taxes on this payment. The Parties agree that any amount awarded as the Service
16 Payment to Plaintiffs less than the requested amount shall not be a basis for Class Counsel to
17 void this Settlement Agreement. Should the Court approve a lesser amount for the Service
18 Payment, the difference shall be added to the Net Settlement Amount to be distributed to the
19 Participating Class Members who are not Previously Paid Class Members.

20 (e) Attorneys' Fees and Costs Award: Defendants agree to not oppose
21 request by Class Counsel to the Court for an award of attorneys' fees of 30% of the Gross
22 Combined Payment (\$130,800), plus reasonable litigation costs not to exceed \$20,000
23 ("Attorney's Fees and Cost Award"). Defendants agree not to oppose any contention by Class
24 Counsel that attorneys' fees should be based on the common fund theory and/or under the
25 catalyst theory. The Attorney's Fee and Cost Award shall be paid from the Settlement Amount,
26 and, except for this award, Defendants shall have no further obligation to pay any attorneys' fees,
27 costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is
28 sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be

distributed to the Participating Class Members who are not Previously Paid Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

(f) Settlement Administration Costs: The fees and other charges of the Settlement Administrator will be paid from the Settlement Amount, not to exceed \$6,000.00, unless otherwise approved by all Parties and the Court.

(g) PAGA Penalties: The Parties agree that \$25,000 is allocated to PAGA Penalties, and is to be paid from the Settlement Amount, subject to Court approval. Of this amount, \$18,750 (75%) shall be paid to the LWDA in satisfaction of civil penalties under the Private Attorney General Act of 2004 ("PAGA") and \$6,250 (25%) will form the Individual PAGA Payments to the Aggrieved Employees, which shall be calculated and allocated pro-rata on a Work Week basis during the PAGA Period, which will be treated entirely as civil penalties and shall be reported as required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the Settlement.

(h) The Individual Class Payments: After deducting the Prior Payment and the foregoing amounts in Sections C.50.(c)-(g) from the Gross Combined, the remainder shall form the Net Settlement Amount for distribution as Individual Class Payments to Class Members who are not Previously Paid Class Members. Individual Class Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Weeks Worked by a Class Member during the Class Period. Specific calculations of Individual Class Payments will be made as follows:

- Defendants will calculate the total number of Weeks Worked by each Class Member during the Class Period and the aggregate total number of Weeks Worked by all Class Members during the Class Period.
- To determine each Class Member's estimated Individual Class

1 Payment, the Settlement Administrator will use the following
2 formula: The Net Settlement Amount will be divided by the
3 aggregate total number of Weeks Worked, resulting in the
4 “Workweek Value.” Each Class Member’s Individual Class
5 Payment will be calculated by multiplying their total number of
6 Weeks Worked during the Class Period by the Workweek Value.

- 7 • Individual Class Payments will be reduced by any required
8 deductions for each Participating Class Member as specifically set
9 forth herein, including employee-side tax withholdings and
10 deductions.
- 11 • The entire Net Settlement Amount will be disbursed to
12 Participating Class Members. If there are any valid and timely
13 Requests for Exclusion, the Settlement Administrator shall
14 proportionally increase the Individual Class Payment for each
15 Participating Class Member according to the number of Weeks
16 Worked, so that the amount actually distributed equals 100% of the
17 Net Settlement Amount.

18 (i) Tax Allocation of Individual Class Payments and Flat \$250 Payments:

19 Individual Class Payments and Flat \$250 Payments will be allocated as follows: one-third will
20 be allocated as wages subject to withholding of all applicable local, state and federal taxes; and
21 two-thirds will be allocated for interest and statutory penalties (pursuant to, e.g., California
22 Labor Code sections 203, 210, 226) from which no taxes will be withheld. The Settlement
23 Administrator will issue to each Participating Class Member an Internal Revenue Service Form
24 W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with
25 respect to the penalties and interest allocations.

26 (j) Tax Liability: Class Counsel and Defendants make no representations as
27 to the tax treatment or legal effect of settlement amounts called for hereunder, and Plaintiffs and
28 the Class Members are not relying on any statement or representation by Class Counsel or

1 Defendants in this regard. Plaintiffs, Participating Class Members, and Aggrieved Employees
2 understand and agree that they will be solely responsible for the payment of any taxes and
3 penalties assessed on their respective Individual Class Payments, Flat \$250 Payments and
4 Individual PAGA Payments, described herein. Forms 1099 will be distributed in the manner
5 required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement.
6 If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after
7 the date of this Agreement, the processes set forth in this Section may be modified in a manner to
8 bring Defendants into compliance with any such changes. Plaintiffs, Participating Class
9 Members, and Aggrieved Employees understand and agree that they will be solely responsible
10 for the payment of any taxes and penalties assessed on their respective payments described
11 herein.

12 (k) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
13 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
14 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
15 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO
16 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR
17 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
18 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
19 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
20 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
21 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
22 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
23 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
24 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
25 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
26 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
27 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
28 ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY

1 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
2 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
3 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
4 ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
5 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
6 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
7 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

8 (l) "Non-Reversionary" Settlement. This is a "non-reversionary" settlement.
9 Under no circumstances will any portion of the Settlement Amount or Prior Payment revert to
10 Defendants. Participating Class Members and Aggrieved Employees will not have to make a
11 claim to receive a payment. Distributions will be made directly to each Participating Class
12 Member and/or Aggrieved Employee. The Settlement Administrator shall be responsible for
13 accurately and timely reporting and remittance obligations with respect to unclaimed funds as a
14 result of a Participating Class Member and/or Aggrieved Employee not cashing any checks
15 delivered pursuant to the Settlement by the check cashing deadline, as set forth herein.

16 (m) Class Counsel and Plaintiffs believe that the Settlement is fair and
17 reasonable and will so represent same to the Court.

18 **D. Release by the Participating Class Members**

19 50. Upon entry of the Final Approval Order and Defendants' funding of the
20 Settlement Amount, and except as to such rights or claims as may be created by this Agreement,
21 Plaintiffs and the Participating Class Members will forever completely release and discharge the
22 Released Parties from the Released Class Claims for the Class Period.

23 51. Each Participating Class Member will be deemed to have made the foregoing
24 Release as if by manually signing it.

25 52. Class Representatives, on behalf of themselves and the Class, acknowledge and
26 agree that the claims for unpaid wages and untimely payment of wages in the Action are
27 disputed, and that the payments set forth herein constitute payment of all sums allegedly due to
28 them. Class Representatives, on behalf of themselves and the Class, acknowledge and agree that

California Labor Code Section 206.5 is not applicable to the Parties or Settlement. Labor Code § 206.5 provides in pertinent part as follows: “An employer shall not require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

E. Release of PAGA Claims

53. Upon entry of the Final Approval Order and Defendants’ funding of the Settlement Amount, Plaintiffs, standing in the shoes of the Labor Commissioner/LWDA, and on behalf of the State of California and all Aggrieved Employees, will forever completely release and discharge the Released Parties from the Released PAGA Claims through the PAGA Period. It is the intent of the Parties that the Final Approval Order and judgment entered by the Court shall have full equitable and collateral estoppel and *res judicata* effect and be final and binding upon Aggrieved Employees regarding the Released PAGA Claims.

54. Regardless of submitting a valid Request for Exclusion, neither Plaintiffs nor any Aggrieved Employee shall have the right to opt-out or otherwise exclude themselves from releasing the Released PAGA Claims.

55. It is the intent of the Parties that the Final Approval Order shall have full equitable and collateral estoppel and *res judicata* effect to the fullest extent permitted by law.

F. Release by Plaintiffs and Class Representatives

56. Class Representatives do hereby, for themselves and their spouses, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assigns forever and completely release and discharge the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys’ fees, and costs) of any nature whatsoever, from the beginning of time through the execution of this Agreement, whether known or unknown, suspected or unsuspected, including but not limited to all claims arising out of, based upon, or relating to Class Representatives’ employment with Defendants or the remuneration for

1 or termination of such employment (the “Class Representatives’ Claims”).

2 57. Without limiting the generality of the foregoing, this general release by Plaintiffs
3 includes all federal, state and local statutory claims, federal and state common law claims
4 (including but not limited to those for contract, tort and equity), including without limitation any
5 claims for breach of any implied or express contract or covenant; claims for promissory estoppel;
6 claims of entitlement to any pay; claims of wrongful denial of insurance and employee benefits
7 (except workers’ compensation benefits); claims for failure to hire, public policy violations,
8 defamation, invasion of privacy, fraud, misrepresentation, emotional distress, assault/battery, or
9 other common law or tort matters; claims of harassment, retaliation or discrimination based on
10 age, race, color, religion, sex, national origin, ancestry, physical or mental disability, protected
11 activity, medical condition, marital status, sexual preference, union activity, or veteran status;
12 claims under the Americans with Disabilities Act, Age Discrimination in Employment Act, Title
13 VII of the Civil Rights Act of 1964 (as amended), the Civil Rights Act of 1991; 42 USC sec.
14 1981, 42 USC sec. 1983, the Older Workers Benefit Protection Act, the Family and Medical
15 Leave Act; claims for unfair competition; claims based on legal restrictions on Defendants’ right
16 to terminate, not to hire or promote employees, or to change an employee’s compensation; and
17 claims based on any federal, state or other governmental statute, regulation or ordinance, all
18 statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or
19 expenses, penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation
20 costs, restitution, or equitable relief, or any other claims arising under the Fair Labor Standards
21 Act, the Employment Retirement Security Income Act of 1974, the California Constitution, the
22 California Fair Employment and Housing Act, the California Unfair Competition Act (California
23 Business and Professions Code section 17200 et seq.), the California Labor Code, or Industrial
24 Welfare Commission Wage Orders, or arising out of or based upon the following categories of
25 allegations regardless of the forum in which they may be brought, to the fullest extent such
26 claims are releasable by law: (i) all claims for unpaid overtime; (ii) all claims for unpaid wages;
27 (iii) all claims for meal break violations; (iv) all claims for rest period violations; (v) all claims
28 for the failure to timely pay wages upon termination; (vi) all claims for the failure to timely pay

1 wages during employment; (vii) all claims for wage statement violations; and (viii) all other
2 penalties recoverable for such claims under PAGA.

3 58. Plaintiffs agree that there is a risk that any injury that they may have suffered by
4 reason of the Released Parties' relationship with them might not now be known, and there is a
5 further risk that said injuries, whether known or unknown at the date of this Settlement
6 Agreement, might possibly become progressively worse, and that as a result thereof further
7 damages may be sustained. Nevertheless, Plaintiffs agree to forever and fully release and
8 discharge the Released Parties, and understand that by the execution of this Settlement
9 Agreement no further claims for any such injuries that existed at the time of the execution of this
10 Settlement Agreement may ever be asserted by Plaintiffs with respect to claims arising in the
11 time period from the beginning of time to the execution of this Settlement Agreement.

12 59. Plaintiffs expressly waive and relinquish all rights and benefits afforded by
13 Section 1542 of the Civil Code of the State of California and does so understanding and
14 acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code
15 of the State of California states:

16 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
17 THAT THE CREDITOR OR RELEASING PARTY DOES NOT
18 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
19 THE TIME OF EXECUTING THE RELEASE AND THAT, IF
20 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
OR RELEASED PARTY.

21 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
22 full and complete release and discharge of all parties, Class Representatives expressly
23 acknowledge that this Settlement Agreement is intended to include in its effect, without
24 limitation, all claims that Class Representatives knew of, as well as all claims that they do not
25 know or suspect to exist in their favor against the Released Parties, or any of them, for the time
26 period from the beginning of time to the execution of this Settlement Agreement, and that this
27 Settlement Agreement contemplates the extinguishment of any such Class Representatives'
28 Claims. Notwithstanding the above, the general release by Class Representatives shall not extend

1 to claims for workers' compensation benefits, claims for unemployment benefits, or other claims
2 that may not be released by law.

3 **G. Interim Stay of Proceedings**

4 60. Pending completion of all prerequisites necessary to effectuate this Settlement,
5 the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such
6 as are necessary to effectuate the Settlement.

7 **H. Notice Process**

8 61. Appointment of Settlement Administrator. The Parties have agreed to the
9 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
10 including mailing the Notice Packet, using standard devices to obtain forwarding addresses,
11 independently reviewing and verifying documentation associated with any claims or opt-out
12 requests, resolving any disputes regarding the calculation or application of the formula for
13 determining the payments due, drafting and mailing the settlement checks to Participating Class
14 Members and Aggrieved Employees, issuing all necessary tax forms, and performing such other
15 tasks as set forth herein or as the Parties mutually agree or that the Court orders.

16 62. Disputes Regarding Settlement Administration. Any and all disputes relating to
17 administration of the Settlement by the Settlement Administrator (except for disputes regarding
18 Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction
19 over the terms and conditions of this Agreement, until Plaintiffs and Defendants notify the Court
20 that all payments and obligations contemplated by this Agreement have been fully carried out.
21 Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to
22 resolve the dispute without the necessity of Court intervention. The Settlement Administrator
23 shall also be responsible for issuing to Plaintiffs, Participating Class Members, and Aggrieved
24 Employees, and Class Counsel any Tax Forms as may be required by law for all amounts paid
25 pursuant to this Agreement.

26 63. Class Data. Within fourteen (14) days after entry of the Preliminary Approval
27 Order, Defendants shall provide the Class Data to the Settlement Administrator. The Settlement
28 Administrator will run a check of the Class Members' addresses against those on file with the

1 U.S. Postal Service's National Change of Address List. The Class Data provided to the
2 Settlement Administrator will remain confidential and will not be used or disclosed to anyone,
3 except as required by applicable tax authorities, pursuant to Defendants' express written consent,
4 or by order of the Court. Class Counsel will not be provided with or have access to the list of
5 Class Data. Nothing herein shall prevent Class Counsel from communicating with Class
6 Members regarding the Action and Settlement. Plaintiffs, Class Counsel, Defendants and
7 Defendants' Counsel agree not to take any action to encourage or solicit any Class Members to
8 opt out of and/or object to the Settlement.

9 64. Total Workweeks. At least five (5) days prior to mailing the Notice Packet, the
10 Settlement Administrator shall provide a spreadsheet to Class Counsel and Defense Counsel
11 containing a preliminary calculation of all payments to be paid from the Settlement Amount,
12 including the estimated Individual Class Payments or Flat \$250 Payment to each Class Member,
13 and Individual PAGA Payments to each Aggrieved Employee (a person's name shall be redacted
14 and a control number used in place of the name).

15 65. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
16 Administrator to the Class Members, by first class mail, in English, within ten (10) calendar days
17 following the Settlement Administrator's receipt of the Class Data. The Settlement
18 Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses
19 of Class Members if any envelopes are returned.

20 66. Returned Notice Packets. The Settlement Administrator will take steps to ensure
21 that the Notice is received by all Class Members, including utilization of the National Change of
22 Address Database maintained by the United States Postal Service to review the accuracy of and,
23 if possible, update a mailing address. Notices of Settlement will be re-mailed to any Class
24 Member for whom an updated address is located within ten (10) calendar days following both
25 the Settlement Administrator learning of the failed mailing and its receipt of the updated address.
26 The re-mailed Notice shall be identical to the original Notice, except that it shall notify the Class
27 Member that the exclusion (opt-out) request or objection must be returned by the later of the
28 Response Deadline or fifteen (15) days after the remailing of the Notice.

1 67. Presumption Regarding Receipt of Notice Packet. It will be conclusively
2 presumed that if an envelope has not been returned to Settlement Administrator by the Response
3 Deadline that the Class Member received the Notice Packet.

4 68. Disputes Regarding Class Data. Class Members are deemed to participate in the
5 Settlement unless they opt-out, and Aggrieved Employees may not opt out of the Released
6 PAGA Claims. The Notice will inform Class Members of his/her estimated Individual Class
7 Payment and the number of Weeks Worked during the Class Period and during the PAGA
8 Period, or alternatively, if the Class Member is eligible to receive a Flat \$250 Payment and
9 Individual PAGA Payment. Class Members may dispute their Weeks Worked by timely
10 submitting evidence to the Settlement Administrator. Defendants' records will be presumed
11 determinative absent reliable evidence to rebut Defendants' records, but the Settlement
12 Administrator will evaluate the evidence submitted by the Class Member and provide the
13 evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good
14 faith about the evidence to determine the Class Member's actual number of Work Weeks and
15 estimated Individual Class and PAGA Payments. If Class Counsel and Defense Counsel are
16 unable to agree, they agree to submit the dispute to the Court to render a final decision. Class
17 Members and Aggrieved Employees will have until the Response Deadline to dispute Weeks
18 Worked, object or opt out, unless extended by the Court.

19 69. Declaration of Due Diligence. The Settlement Administrator shall provide
20 counsel for the Parties with a declaration of due diligence and proof of mailing with regard to the
21 mailing of the Notice within seven (7) days of the Response Deadline.

22 70. Class Members' Rights. Each Class Member will be fully advised of the
23 Settlement, the ability to object to the Settlement, and the ability to opt-out or request exclusion
24 from the Class Claims portion of the Settlement. The Notice will inform the Class Members of
25 the Court-established deadlines for filing objections or requesting exclusion from the Settlement
26 in accordance with the following guidelines:

27 (a) Requests for Exclusion from Class. Any Class Member, other than
28 Plaintiffs, may request to be excluded from the Class by submitting a "Request for Exclusion" to

1 the Settlement Administrator, postmarked on or before the Response Deadline. The Request for
2 Exclusion should state:

3 “I WISH TO BE EXCLUDED FROM THE CLASS IN THE JG
4 WENTWORTH LAWSUIT. I UNDERSTAND THAT IF I ASK
5 TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE
6 ANY MONEY FROM THE SETTLEMENT.”

7 To be valid, any Request for Exclusion must include the full name, address, telephone
8 number, last four digits of the social security number or date of birth, and signature of the Class
9 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
10 Settlement Administrator at the specified address set forth in the Notice. Any such Request must
11 be made in accordance with the terms set forth in the Notice. A Request for Exclusion will be
12 timely only if postmarked by the Response Deadline, unless the Parties otherwise agree in
13 writing. Any Class Member who timely submits a Request for Exclusion in compliance with
14 these requirements: (i) will not have any rights under this Agreement with respect to the
15 Released Class Claims, including the right to object, appeal, or comment on the Settlement; (ii)
16 will not be entitled to receive any payments under this Agreement for the Released Class Claims;
17 and (iii) will not be bound by this Agreement, or the Judgment, with respect to the Released
18 Class Claims. Any Aggrieved Employee who timely submits a Request for Exclusion will still
19 be subject to the Released PAGA Claims to the fullest extent permitted by law and shall be sent
20 his or her share of PAGA Penalties.

21 (b) Binding Effect on Participating Class Members. All Participating Class
22 Members will: (i) be bound by the terms and conditions of this Agreement, the Judgment, and
23 the releases set forth herein; and (ii) except as otherwise provided herein, will be deemed to have
24 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
25 Settlement.

26 (c) Objections to Settlement. Any Class Member, other than Plaintiffs, may
27 object to the terms of this Agreement, except as to the Released PAGA Claims. To object, a
28 Class Member shall inform the Settlement Administrator, in writing, of his or her objection

1 which must be postmarked by the Response Deadline at the address set forth in the Notice. Such
2 objection shall include the objecting Class Member's full name, address, telephone number, last
3 four digits of the social security number or date of birth, signature, and dates of employment with
4 Defendants, in addition to the case name and number, the basis for the objection, including any
5 legal support and each specific reason in support of the objection, as well as any documentation
6 or evidence in support thereof, and, if the Objecting Class Member is represented by counsel, the
7 name and address of his or her counsel. The Settlement Administrator shall provide objections,
8 if any, to Class Counsel and Defense Counsel within three (3) calendar days of receipt, and the
9 Settlement Administrator shall attach the same to its declaration of due diligence and file with
10 the Court prior to the Final Approval Hearing. Any Participating Class Member who files an
11 objection remains eligible to receive monetary compensation from the Settlement. Plaintiffs and
12 Defendants shall not be responsible for any fees, costs, or expenses incurred by any Class
13 Member and/or his or her counsel related to any objections to the Settlement. Submitting an
14 objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is
15 preserved by becoming a party of record by timely and properly intervening or filing a motion to
16 vacate the judgment under Code of Civil Procedure Section 663. Class Members and Aggrieved
17 Employees may not object to or opt-out of the Settlement with respect to the Released PAGA
18 Claims.

19 (d) Failure to Object. Any Class Member who does not timely and properly
20 become a party of record by intervening or filing a motion to vacate the judgment waives any
21 and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding
22 and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion
23 under California Code of Civil Procedure § 473, and extraordinary writs.

24 (e) Responses to Objections. Counsel for the Parties may file a response to
25 any objections submitted by Objecting Class Members at least five (5) court days before the date
26 of the Final Approval Hearing.

27 (f) Class Members will have until the Response Deadline to object or submit
28 a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement

1 Administrator shall disclose jointly to Class Counsel and Defense Counsel what objections or
2 Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class
3 Counsel or Defense Counsel.

4 71. Funding of the Settlement Amount. Defendants shall deposit the Settlement
5 Amount, plus Defendants' share of payroll taxes with the Settlement Administrator within fifteen
6 (15) days of the Effective Date.

7 72. Distribution of Funds. No later than ten (10) calendar days after the deposit of the
8 Settlement Amount by Defendants, the Settlement Administrator shall mail the Individual Class
9 Payments or Flat \$250 Payment to the Participating Class Members, the Individual PAGA
10 Payments to the Aggrieved Employees, the payment to Class Counsel for the Attorneys' Fees
11 and Costs Award, any Service Payment to the Class Representatives, the payment to the LWDA
12 for PAGA Penalties, and will pay itself the Settlement Administration Costs.

13 73. Deadline for Cashing Settlement Checks. Participating Class Members and
14 Aggrieved Employees shall have 180 calendar days after mailing by the Settlement
15 Administrator to cash their settlement checks. The release will be binding upon all Participating
16 Class Members who do not cash their checks within the 180-day period. In the event that any
17 settlement check is returned to the Settlement Administrator within 180 days of mailing, the
18 Settlement Administrator will, within five (5) business days of receipt of the returned settlement
19 check, perform a skip trace to locate the individual, and notify Defense Counsel and Class
20 Counsel of the results. If a new address is located by these means, the Administrator will have
21 ten (10) business days to re-issue the check. Neither Defendants, Defense Counsel, Class
22 Counsel, Plaintiffs, nor the Settlement Administrator will have any liability for lost or stolen
23 settlement checks, forged signatures on settlement checks, or unauthorized negotiation of
24 settlement checks. Without limiting the foregoing, in the event a Participating Class Member
25 and/or Aggrieved Employee notifies the Settlement Administrator that they believe that a
26 settlement check has been lost or stolen, the Settlement Administrator shall immediately stop
27 payment on such check. If the check in question has not been negotiated prior to the stop
28 payment order, the Settlement Administrator will issue a replacement check.

1 a. If any Participating Class Member's check is not cashed within the time
2 periods noted above, the check will be void and a stop-payment will be issued, and the
3 Settlement Administrator shall issue the unclaimed funds to the California State Controller's
4 Office in the name of the Class Member.

5 b. If any Aggrieved Employee's check is not cashed within the time periods
6 noted above, the check will be void and a stop-payment will be issued, and the Settlement
7 Administrator shall issue the unclaimed funds to the California State Controller's Office in the
8 name of the Aggrieved Employee.

9 **I. Duties of the Parties Prior to the Court's Approval**

10 74. Promptly after execution of this Agreement, the Parties will enter into a
11 stipulation to file a second amended complaint adding Jazmin Valerio as Plaintiff. If the Court
12 does not approve the stipulation, Plaintiffs will file a motion to amend. Then Plaintiffs will
13 move the Court for Preliminary Approval of this Settlement and entry of the Preliminary
14 Approval Order accomplishing the following:

15 (a) Scheduling the Final Approval Hearing on the issue of whether this
16 Settlement should be finally approved as fair, reasonable and adequate as to the Class Members
17 and a hearing on fees, costs and the Service Payments;

18 (b) Approving as to form and content the proposed Notice;

19 (c) Directing the mailing of the Notice by first class mail to the Class
20 Members;

21 (d) Preliminarily approving this Settlement;

22 (e) Preliminarily certifying the class for purposes of this Settlement; and

23 (f) Advising the LWDA of the proposed Settlement.

24 **J. Duties of the Parties Following Court's Final Approval**

25 75. In connection with the Final Approval Hearing provided for in this Agreement,
26 Class Counsel shall submit a proposed Final Approval Order:

27 (a) Approving the Settlement, adjudging the terms thereof to be fair,
28 reasonable and adequate, and directing consummation of its terms and provisions;

1 (b) Approving Class Counsel's application for the Attorney's Fees and Cost
2 Award, the Service Payments to the Class Representatives, and the payment to the Settlement
3 Administrator for costs of administering the settlement; and

4 (c) Entering judgment approving settlement.

5 **K. Voiding the Agreement**

6 76. If the Court fails or refuses to issue the Final Approval Order or fails to approve
7 any material condition of this Agreement which effects a fundamental change of the Settlement,
8 the entire Agreement shall be rendered voidable and unenforceable as to all Parties herein at the
9 option of either Party.

10 77. Defendants have the sole right to withdraw from and void the Settlement if more
11 than five (5) employees opt out. If Defendants exercise their right to withdraw from the
12 Settlement, Defendants will notify Class Counsel and the Court within seven (7) business days
13 after receiving the opt-out list from the Administrator.

14 78. If the Settlement is voided or fails for any reason, Plaintiffs and Defendants will
15 have no further obligations under the Settlement, including any obligation by Defendants to pay
16 the Settlement Amount, or any amounts that otherwise would have been owed under this
17 Settlement.

18 79. If the Settlement is voided or fails for any reason, any costs incurred by the
19 Settlement Administrator shall be borne equally by Defendants and Plaintiffs, unless otherwise
20 specified in this Agreement.

21 **L. Other Terms**

22 80. Waiver. The waiver by one Party of any breach of this Agreement by another
23 Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

24 81. Parties' Authority. The signatories hereto represent that they are fully authorized
25 to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

26 82. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
27 accomplish the terms of this Agreement, including but not limited to, execution of such
28 documents and to take such other action as may reasonably be necessary to implement the terms

1 of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts
2 contemplated by this Agreement and any other efforts that may become necessary by order of the
3 Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as
4 practicable after execution of this Agreement, Class Counsel shall, with the assistance and
5 cooperation of Defendants and Defense Counsel, take all necessary steps to secure the Court's
6 preliminary and final approval of the settlement, and the final entry of judgment.

7 83. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
8 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
9 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
10 cause of action or rights released and discharged by this Agreement.

11 84. No Admission. Defendants deny any and all liability to Plaintiffs and/or any Class
12 Member and/or Aggrieved Employee in this Action, as to any and all causes of action that were
13 asserted or that might have been asserted in this Action. Nonetheless, Defendants wish to settle
14 and compromise the matters at issue in the Complaint to avoid further substantial expense and
15 the inconvenience and distraction of protracted and burdensome litigation. Defendants have
16 taken into account the uncertainty and risks inherent in litigation, and without conceding any
17 infirmity in the defenses that they have asserted or could assert against Plaintiffs, have
18 determined that it is desirable and beneficial that Plaintiffs' claims be settled in the manner and
19 upon the terms and conditions set forth in this Agreement.

20 85. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
21 Order, nothing contained herein, nor the consummation of this Agreement, is to be construed or
22 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
23 Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this
24 Agreement with the intention of avoiding further disputes and litigation with the attendant
25 inconvenience and expenses. This Agreement is a settlement document, and it, along with all
26 related documents such as the notices, and motions for preliminary and final approval, shall,
27 pursuant to California Evidence Code § 1152 and/or Federal Rule of Evidence 408, be
28 inadmissible in evidence in any proceeding, except an action or proceeding to approve the

1 settlement, and/or interpret or enforce this Agreement. The stipulation for class certification as
2 part of this Agreement is for settlement purposes only and if, for any reason the settlement is not
3 approved, the stipulation will be of no force or effect.

4 86. No Publicity. The Parties will not publicize the Settlement or disclose it to third
5 parties, except as required or necessary to effectuate its terms and comply with law. Class
6 Counsel and Class Representatives agree that they will not discuss, answer questions about,
7 promote, or publicize the Settlement, this Agreement and its terms, or the negotiations leading up
8 to the Settlement with anyone other than the Court, Class Members, or those individuals
9 necessary to effectuate the terms of the Settlement. Nothing herein shall be construed to prevent
10 the Parties or their representatives from communicating with financial or legal advisors regarding
11 the Settlement, or to prevent Class Counsel from disclosing information regarding this settlement
12 in future court filings to comply with court requirements for establishing adequacy and
13 experience. In response to any media inquiry, Class Counsel may state only that the Action has
14 been settled on terms mutually agreeable to the Parties.

15 87. Return of Defendants' Mediation Documents. Within ten (10) days after the
16 Settlement Administrator confirms that it distributed the Net Settlement Amount, Class Counsel
17 agrees to return all Excel spreadsheets and JGW000048-98 produced by Defendants in June and
18 July 2023 for mediation, or, in the alternative, to destroy all such records and information, and to
19 provide written certification of their compliance with this provision, including that they no
20 longer have possession, custody or control of any such information. Class Counsel affirms that
21 these documents were not provided to Plaintiffs. Plaintiffs will certify that they did not receive
22 any records produced by Defendants.

23 88. Notices. Unless otherwise specifically provided herein, all notices, demands or
24 other communications given hereunder shall be in writing and shall be deemed to have been duly
25 given as of the third business day after mailing by United States registered or certified mail,
26 return receipt requested, addressed:

27 *To the Class:*

28 Brian J. Mankin
brian@lmlfirm.com

1 Lauby, Mankin & Lauby LLP
2 5198 Arlington Ave, PMB 513
3 Riverside, CA 92504
4 Tel: (951) 320-1444 | Fax: (951) 320-1445

5 *To Defendant:*

6 Mark J. Payne
7 *mark.payne@troutman.com*
8 Troutman Pepper
9 5 Park Plaza, Suite 1400
10 Irvine, CA 92614
11 Tel: (949) 622-2700 | Fax: (949)295-3097

12 89. Construction. The Parties hereto agree that the terms and conditions of this
13 Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and
14 that this Agreement shall not be construed in favor of or against any Party by reason of the extent
15 to which any Party or his or its counsel participated in the drafting of this Agreement. Plaintiffs
16 and Defendants expressly waive the common-law and statutory rule of construction that
17 ambiguities should be construed against the drafter of an agreement and further agree, covenant,
18 and represent that the language in all parts of this Agreement shall be in all cases construed as a
19 whole, according to its fair meaning.

20 90. Captions and Interpretations. Paragraph titles or captions contained herein are
21 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
22 describe the scope of this Agreement or any provision hereof. Each term of this Agreement is
23 contractual and not merely a recital.

24 91. Modification. This Agreement may not be changed, altered, or modified, except
25 in writing and signed by the Parties hereto, and approved by the Court. This Settlement
26 Agreement may not be discharged except by performance in accordance with its terms or by a
27 writing signed by all of the Parties hereto.

28 92. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
this Agreement or to declare rights and/or obligations under this Agreement, a Party shall
provide written notice to the other Party and allow an opportunity to cure the alleged
deficiencies, and Plaintiffs and Defendants may agree to seek the help of the Mediator to resolve

any dispute they are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other proceeding instituted by any person or entity other than Plaintiffs or Defendant.

93. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

94. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

95. Binding On Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

96. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Class are numerous, it is impossible or impractical to have each Class Member execute this Agreement. The Packet will advise all Class Members of the binding nature of the release provided herein and such shall have the same force and effect as if this Agreement were executed by each Class Member.

97. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

Dated: December __, 2023

PLAINTIFF AND CLASS REPRESENTATIVE

Samuel Johnson

1 Dated: December ___, 2023

PLAINTIFF AND CLASS REPRESENTATIVE

2
3
4 _____
Jazmin Valerio

5
6 Dated: December ___, 2023

DEFENDANT THE J.G WENTWORTH COMPANY

7
8 _____
By: _____
9 Title: _____

10
11 Dated: December ___, 2023

SETTLEMENT FUNDING LLC

12
13 _____
By: _____
14 Title: _____

15 **APPROVED AS TO FORM:**

16
17 Dated: December ___, 2023

CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP

18
19 _____
Brian J. Mankin
20 Attorneys for Plaintiff

21
22 Dated: December ___, 2023

DEFENSE COUNSEL:
TROUTMAN PEPPER HAMILTON SANDERS LLP

23
24 _____
Mark J. Payne, Esq.
25 Attorneys for Defendants
26
27
28

EXHIBIT “2”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Johnson et al. v. The J.G. Wentworth Company and Settlement Funding, LLC

(San Diego Superior Court, Case No. 37-2022-00048277-CU-OE-CTL)

*The San Diego County Superior Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

TO: All current and former non-exempt employees employed by Defendants The J.G. Wentworth Company and/or Settlement Funding LLC in California at any time from December 1, 2018, to December 4, 2023.

You may be eligible to receive money from a class action lawsuit (“Action”) against The J.G. Wentworth Company and Settlement Funding, LLC (collectively, “Defendants”) for alleged unpaid wage claims. The Action was filed by former employees of Defendants, and seeks payment of (1) alleged unpaid wages, statutory penalties, interest and attorneys’ fees on behalf of all current and former non-exempt employees employed by The J.G. Wentworth Company and/or Settlement Funding LLC in California at any time during the Class Period (which is December 1, 2018, through December 4, 2023) (the “Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all current and former non-exempt employees employed by The J.G. Wentworth Company and/or Settlement Funding LLC in California at any time during the PAGA Period (which is December 1, 2021 to December 4, 2023) (the “Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments to Class Members (except that Previously Paid Class Members (defined below) will receive a flat \$250 payment), and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

/CLASS MEMBER NAME/
/ID/CONTROL NUMBER/

Two Parts	Time credited as a Class Member and PAGA Member	Your Estimated Share
Class Member	WORKWEEKS (During Class Period)	\$INSERT (Individual Class Payment)
PAGA Member	WORKWEEKS (During PAGA Period)	\$INSERT (Individual PAGA Payment)

Your Individual Class Payment (less withholding) and your Individual PAGA Payment are shown in the chart above, along with the workweeks you are credited with working during the Class Period and pay periods you are credited during the PAGA Period, respectively, according to Defendants’ records. 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 did not work during the PAGA Period. Also, if “N/A” is stated for time credited as a Class Member along with a \$250 share, then you are determined to be a “Previously Paid Settlement Class Member” because you previously received a settlement payment directly from Defendants for the claims alleged, and you are eligible to receive a \$250 payment in addition to your prior payment.

The numbers reflected in the above chart only include workweeks in which you actually performed work. For example, if you were on a leave of absence for a full workweek or pay period, those workweeks are excluded. If you believe that you worked more weeks during either period than Defendants’ records show in the chart above, you can submit a challenge by **DATE**, 2024 (“**Response Deadline**”). 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 Plaintiffs and Plaintiffs' 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 in exchange for those payments.

If you worked for Defendants in California during the Class Period and/or the PAGA Period, you have a few options as shown in the Chart below:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive a settlement payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described in Section 3 .
EXCLUDE YOURSELF	If you do <u>not</u> wish to participate in the Settlement or give up your right to sue on the Released Class Claims, you may "opt-out" of the settlement of the Released Class Claims. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2024 (see Section 6 for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) <u>not</u> receive an Individual Class Payment, but you will not give up your right to sue on the Released Class Claims, and (2) be barred from filing an objection to the Settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. If approved, Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims. See Section 6 of this Notice.
OBJECT	If you decide to object to the Settlement with respect to the Released Class Claims, you must submit an Objection stating why you object to the Settlement by [REDACTED], 2024 (see Section 7 for details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED OR PAY PERIODS	If you believe the number of workweeks that you were credited with working in the chart above is incorrect, you may submit a written dispute to the Settlement Administrator (see Section 4 for more details on how to dispute your credited Weeks Worked). Defendants' records will be presumed correct, but you may provide evidence to the Settlement Administrator showing how many Workweeks you believe you should be credited.

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT'S NOT REQUIRED	
DATE: [REDACTED], 2024 TIME: [REDACTED] A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. 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.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs and Class Representatives, Samuel Johnson and Jazmin Valerio, are former employees of Defendants. The Action alleges violations of California labor laws due to the alleged: failing to pay all required minimum and overtime wages, failing to provide meal periods and rest breaks, failing to timely pay final wages, and failing to provide accurate and complete wage statements during the Class Period. Based on the same claims, Plaintiffs also asserted a claim for civil penalties under PAGA. Plaintiffs are represented by attorneys in the Action (“Class Counsel”). See Section 9 below for their contact information.

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

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

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were eventually successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs 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.

Plaintiffs 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 strength of the claims and the risks and uncertainties of continued litigation; and (2) the 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. The Settlement Amount is \$250,000. During the course of litigation, Defendants paid the Previously Paid Class Members a total of \$186,000, which will be referred to as the “Prior Payment.” The Settlement Amount of \$250,000, plus the \$186,000 Prior Payment is referred to as the Gross Combined Under the terms of the Settlement, Defendants will pay an additional \$250,000 to settle the remaining claims (the “Settlement Amount”). The following amounts, if approved by the Court, will be subtracted from the \$250,000 Settlement Amount: (1) the Flat \$250 Payments to each Previously Paid Class Member; (2) Attorneys’ Fees and Costs Award, (3) the Service Award to the Class Representatives as awarded by the Court, (4) the Settlement Administration Costs, and (5) PAGA Penalties. Assuming the Court grants Final Approval, Defendants will fund the Settlement 15 days after the Judgment entered by the Court becomes final. The Judgment will be final 60 days after final approval and judgment is entered if no notice is filed within that time seeking to appeal or vacate that final approval and judgment; or (b) if a notice to appeal or vacate is filed, the date upon which all appellate and/or other proceedings resulting from the notice of appeal or challenge have been finally resolved, and the case is no longer subject to further judicial review.

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

- A. The \$186,000 Prior Payment to the Previously Paid Class Members, as well as the new \$250 flat payment to the Previously Paid Class Members.
- B. Up to 30% of the Gross Combined Payment to Class Counsel for attorneys’ fees (\$130,800) and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment and will continue their work until the matter is finalized and payments are issued to the Class Members.

- C. Up to \$7,500 each to the Class Representatives as a Class Representative Service Awards for filing the Action, working with Class Counsel and representing the Class. The Class Representatives Service Awards will be the only monies Plaintiffs will receive other than their Individual Class Payment and any Individual PAGA Payment.
- D. Up to \$6,000 to the Settlement Administrator for costs and services administering the Settlement.
- E. Up to \$25,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% to Individual PAGA Payments to all Aggrieved Employees, which will be divided based on their proportion of Weeks Worked for Defendants during the PAGA Period.

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

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 33.33% of each Individual Class Payment to taxable wages (“Wage Portion”) and 66.67% to penalties and interest (“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 Settlement Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs 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), which will be 180 days from the date that the check is issued. 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 are sent to the Controller’s Unclaimed Property, you should consult the rules of the 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 opt-out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out.

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 to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs 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. Settlement Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Settlement Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion and Objections (if any). The Settlement Administrator will also decide any Disputes over weeks worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement 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 Settlement Amount 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 any of

them, or related entities and individuals, for wages based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

The Participating Class Members shall fully and finally release and discharge the Released Parties (defined in Section 3.11 below), and each and all of them, of and from all claims which were pled or reasonably could have been pled arising out of the same facts the Complaint and the PAGA notice, including, but not limited to: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c) failure to provide meal periods, (d) failure to provide rest breaks, (e) failure to failure to timely pay wages upon separation of employment, (f) failure to provide accurate itemized wage statements, (g) unfair and unlawful competition, and (h) all other claims for statutory penalties based on the facts or claims alleged in the Complaint. The time period governing the Released Class Claims shall be any time during the Class Period. The time frame of the Released Class Claims shall be the time period from December 1, 2018 up through and including December 4, 2023 (“Class Period”).

10. Release of Released PAGA Claims. After the Court’s judgment is final, and Defendants have paid the Settlement Amount, Plaintiffs, all Aggrieved Employees, the State of California and the LWDA shall release the Released Parties of and from any and all PAGA claims that Plaintiffs alleged against the Released Parties based on the facts alleged in the relevant LWDA notice letters or the Complaint, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to timely pay wages each period, (6) failure to timely pay wages upon separation of employment, (7) failure to provide accurate itemized wage statements, and (9) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged in the LWDA notice letters and Complaint. The time frame of the Released PAGA Claims shall be the time period from December 1, 2021 up through and including December 4, 2023 (the “PAGA Period”).

11. Released Parties. Released Parties means Defendants The J.G. Wentworth Company and Settlement Funding, LLC, and their agents and affiliates (e.g., JGW Debt Resolution, LLC), their parents, subsidiaries, directors, owners, shareholders, officers, attorneys, servants, joint employers and employees, past and present, and each of them and anyone acting in concert with foregoing.

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

1. Individual Class Payments. Previously Paid Class Members are not eligible for an Individual Class Payment, but instead are eligible to receive a flat \$250 payment each from the Net Settlement Amount. Then for all other Class Members, the Settlement Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of workweeks which the Class Members actually performed work during the Class Period, and (c) multiplying the result by the number of workweeks by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing \$6,250 by the total number of weeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of weeks the individual Aggrieved Employee performed work for Defendants during the PAGA Period.

3. Disputing Workweeks. The number of weeks you actually performed work during the Class Period and PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until INSERT DATE HERE ("Response Deadline") to dispute the number of workweeks and credited to you by submitting evidence to the Settlement Administrator.

You need to support your dispute by sending copies of pay stubs or other reliable evidence. The Settlement Administrator will accept Defendants' calculations as accurate unless you send copies of records or other reliable evidence containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve workweek and/or pay period challenges based on your submission and on input from Class Counsel and Defendants' Counsel. The Settlement 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 and Aggrieved Employees. The Settlement Administrator will send, by U.S. mail, a single check to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) and PAGA Member. The single check will combine the Individual Class Payment (or alternatively, the flat \$250 payment) and the Individual PAGA Payment.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, or never were a Class Member but are an Aggrieved Employee, then the Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those Class Members who qualify as Aggrieved Employees but who opt out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement 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?

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. To opt-out, send to the Settlement Administrator a letter/card postmarked no later than [REDACTED], 2024 with your full name, address, telephone number, last four digits of your social security number, your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE CLASS IN THE JG WENTWORTH
LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE
CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT.”

Send the Request for Exclusion directly to the Settlement Administrator at the address in Section 9 below, postmarked on or before the Response Deadline (as a reminder, **the “Response Deadline” is DATE, 2024**).

Any person who submits a valid and timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment or flat \$250 payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement, but who still qualify as Aggrieved Employees, will still be subject to the Released PAGA Claims and receive an Individual PAGA Payment.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. **The deadline for sending written objections to the Administrator is [REDACTED], 2024 (the “Response Deadline”).**

If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection and include any and all evidence and supporting papers. The Objection and any accompanying evidence and papers must be sent to the Settlement Administrator at the address listed in Section 9, **postmarked on or before the Response Deadline**. If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a Settlement payment should the Settlement become Final even if you object to the Settlement.

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. WHEN IS THE FINAL APPROVAL HEARING?

On [REDACTED], 2024, the Court will hold a public hearing in Department 69 of the San Diego County Superior Court, located at 330 W Broadway, San Diego, CA 92101, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be given final approval, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiffs' request for the service award. This hearing may be continued or rescheduled by the Court. Objectors to the proposed Settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the process to opt-out or object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Administrator for more information or to request that a copy of this Notice be sent to you in the mail.

Settlement Administrator
Phoenix Settlement Administrators
Mailing Address
Telephone Number

For your convenience, the Administrator has uploaded various documents for this case to the following website: **PLEASE INSERT URL HERE**. Should you desire any additional information, or if you wish to communicate directly with Class Counsel, you may contact them at the contact information noted here:

Class Counsel
Brian Mankin, Esq. brian@LMLfirm.com
Misty Lauby, Esq. misty@LMLfirm.com
Lauby Mankin Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444

You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement at the URL link above. It is also on file with the Court and attached to the Declaration of Brian Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on [REDACTED], 2024 and which is available to be inspected at any time during regular business hours at the Office of the Clerk, San Diego County Superior Court, at 330 W Broadway, San Diego, CA 92101.

**DO NOT TELEPHONE THE SUPERIOR COURT OR DEFENDANTS
TO OBTAIN INFORMATION ABOUT THE SETTLEMENT**

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement 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 Settlement Administrator if you move or otherwise change your mailing address.

EXHIBIT “3”



LAUBY, MANKIN & LAUBY LLP

December 1, 2022

Submitted Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

The J.G. Wentworth Company
1200 Morris Drive, STE 340
Chesterbrook, PA 19087

Settlement Funding LLC
1200 Morris Drive, STE 340
Chesterbrook, PA 19087

Re: PAGA Civil Penalty Claim
Samuel Johnson v. The J.G. Wentworth Company, et al.

To the Labor and Workforce Development Agency, The J.G. Wentworth Company, and Settlement Funding LLC:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Samuel Johnson (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against his employer(s), The J.G. Wentworth Company, and Settlement Funding LLC, and any affiliated entities (collectively, the “Company”), for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 246, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, and 1199, among possibly other sections inadvertently omitted, and/or sections of the applicable IWC Wage Order(s).

FACTUAL BACKGROUND

Claimant has been employed by the Company since September 2022. Claimant alleges that he and all other employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations to which Claimant was subjected during his employment.

For instance, at all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum and overtime wages due to the Company’s failure to accurately record and compensate for all hours worked. Also, at all relevant times, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional earned compensation in the form of commissions, nondiscretionary bonuses and other compensation. However, on the occasions when the Aggrieved Employees worked overtime hours and received additional earned compensation during the same workweek, the Company failed to properly include these amounts in the calculations for Claimant’s regular rate of pay – in violation of California law and which led to the failure to pay proper overtime. Moreover, the Company had a policy and practice of instructing its employees not to record overtime hours that they worked to avoid paying overtime premiums.

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5198 Arlington Avenue, PMB 513, Riverside, CA 92504



Toll Free
888.959.8508

Physical Address

11801 Pierce Street, Suite 200, Riverside, CA 92505

Claimant was also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company's policies and practices, as well as the hectic and demanding workload, Claimant was subjected to meal period violations when: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company, (3) forced to take a shortened meal period, (4) forced to take a meal period after the 5th hour of work, and (5) not provided a mandated second meal period for shifts in excess of 10 hours.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant's rest breaks and Claimant was often not authorized and/or permitted to take mandated rest breaks. Furthermore, on occasions when Claimant worked 10 hours or more in a shift, the Company failed to authorize and/or permit the mandated additional rest breaks.

The Company also failed to comply with the mandates of Labor Code §§ 204 and 210 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, as well as meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201–203 regarding timing of payment of final wages and failed to pay all wages due and owing upon separation of employment including minimum wages, overtime, meal and rest break premiums, and the Company further failed to pay the Aggrieved Employees for mandated sick time at a rate “calculated in the same manner as the regular rate of pay.”

Finally, during employment with the Company, Claimant received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

Claimant alleges that he worked under the joint direction and control of the entities listed herein and is informed and believes that each of them acted in all respects pertinent to this action as the agent of the others, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that the entities listed herein acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, the entities listed herein are an integrated enterprise and should be treated as a single employer because the entities share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Upon information and belief, the entities listed herein share common management, a centralized control of labor operations, and common ownership or financial control. Claimant also alleges the entities listed herein were merely the alter-ego of the others in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and each exercised undue dominance, control, influence, and management over the others.

In an additional separate, but not necessarily mutually exclusive, alternative theory of liability, the Owners of the Company are liable for PAGA civil penalties under Labor Code § 558 as “other person(s)” who caused the violations regarding minimum wage among other claims. See *Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809, 820 (“if there is evidence and a finding that a party other than the employer ‘violates, or causes to be violated’ the overtime laws (§ 558(a)) or ‘pays or causes to be paid to any employee’ less than minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer”); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (same).

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As a result of these violations, and others described below, Claimant alleges that she and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 210, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimant and the Aggrieved Employees due to the Company's failure to accurately record and compensate for all hours worked and the failure to pay proper overtime. This resulted in earned, but unpaid, wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimants and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, overtime, and/or doubletime wages.

Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that "[a]n 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 ..." Labor Code § 512(a) states in pertinent part: "[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n 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." Section 12 of applicable IWC Wage Order states in pertinent part: "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 time 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."

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company's policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee's regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

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FAILURE TO PAY SICK TIME AT PROPER RATE OF PAY

(Labor Code § 246)

Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must 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.” Additionally, Labor Code § 246(l)(2) states that the paid sick time must 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.”

Here, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional compensation in the form of shift differentials and/or nondiscretionary bonuses. However, on the occasions that the Aggrieved Employees took sick time and received paid sick leave, the Company only paid sick time at the base rate of pay (not factoring in the additional compensation as required by Labor Code §§ 246(l)(1-2)). As such, penalties may be assessed pursuant to Labor Code § 2699.

**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1, 208, 210, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states “[t]he 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.”

As a result of the Company’s failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 210 and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code § 202(a) states in pertinent part “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 § 203(a) states “If an employer willfully fails to pay, without abatement or reduction, [...] 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.”

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The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code § 203.) Labor Code § 2699 also imposes a penalty.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**
(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee’s name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all times pertinent hereto, the Company failed to provide accurate itemized wage statements due to violations including: failure to accurately state total hours worked (the paystubs failed to accurately reflect total compensable hours); failure to accurately state gross wages earned, all deductions, and net wages earned (due to, for example, the failure to pay all required minimum and overtime wages); failure to state the applicable hourly rates (including the accurate overtime rate of pay); failure to state the accurate start and end dates of the pay period; failure to accurately state the name and address of the legal entity that is the employer, and; failure to accurately state the corresponding number of hours worked at each hourly rate. Additionally, the Company’s wage statements directly violated Labor Code § 226(a) each period due to the failure to pay and report premium wages for denied meal/rest breaks under § 226.7. Accordingly, Labor Code §§ 226.3 and 2699 impose civil penalties for these violations.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199
(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company’s violations described herein, the Company is subject to civil penalties in accordance with Labor Code § 2699.

ATTORNEYS’ FEES, INTEREST, AND PENALTIES
(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys’ fees, and costs of suit. Additionally, Claimant seeks the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimant is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company.

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Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment and/or other employees of the Company, he reserves the right to add new claims by supplementing this notice letter. Should you have any questions, please feel free to give me a call.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Misty M. Lauby', with a stylized flourish at the end.

By: Misty M. Lauby, Esq.

E-mail: misty@lmlfirm.com

EXHIBIT “4”



CASE ASSUMPTIONS

Class Members	100
Opt Out Rate	1%
Opt Outs Received	1
Total Class Claimants	99
Subtotal Admin Only	\$6,671.56

Flat Fee Total **\$6,000.00**
For 100 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

September 21, 2023

Case: Johnson v. JG Wentworth , Opt-Out Administration

Phoenix Contact: Michael E. Moore
 Contact Number: 949.331.0131
 Email: mike@phoenixclassaction.com

Requesting Attorney: Brian J. Mankin
 Firm: Lauby, Mankin & Lauby
 Contact Number: (951) 320-1444
 Email: brian@lmlfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
 Estimate is based on **100** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item	Estimate
Programming Manager	\$100.00	2		\$200.00
Programming Database & Setup	\$100.00	2		\$200.00
Toll Free Setup*	\$150.00	1		\$150.00
Call Center & Long Distance	\$2.00	10		\$20.00
NCOA (USPS)	\$20.00	1		\$20.00
Total				\$590.00

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Website / Reminder Postcard

Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	2		\$200.00
Data Merge & Duplication Scrub	\$0.10	100		\$10.00
Notice Packet & Opt-Out Form	\$1.35	100		\$135.00
Estimated Postage (up to 2 oz.)*	\$0.64	100		\$64.00
Static Website	\$200.00	1		\$200.00
Check Cashing Reminder Postcard	\$0.60	21		\$12.47
Postage Included				
Total				\$621.47

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	4		\$220.00
Skip Tracing Undeliverables	\$1.00	20		\$20.00
Remail Notice Packets	\$0.75	17		\$12.75
Estimated Postage	\$0.64	17		\$10.88
Programming Undeliverables	\$50.00	1		\$50.00
Total				\$313.63

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Database	\$150.00	2		\$300.00
Non Opt-Out Processing	\$200.00	1		\$200.00
Case Associate	\$55.00	3		\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	4		\$40.00
Case Manager	\$85.00	2		\$170.00
Total				\$875.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	1		\$135.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	2		\$190.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	4		\$540.00
Mail Class Checks *	\$0.90	99		\$89.10
Estimated Postage	\$0.64	99		\$63.36
Total				\$1,287.46

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing & Instructions for downloading tax forms from PHX secure portal



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CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Supervisor	\$115.00	2		\$230.00
Remail Checks (Postage Included)	\$1.70	20		\$34.00
Case Associate	\$55.00	3		\$165.00
Reconcile Uncashed Checks	\$85.00	5		\$425.00
Conclusion Reports	\$115.00	2		\$230.00
Case Manager Conclusion	\$85.00	3		\$255.00
Final Reporting & Declarations	\$115.00	3		\$345.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1		\$1,000.00
Check to Cy-Pres	\$150.00	1		Included
Uncashed Checks to the State of California Controllers Office Estimated <u>19</u> Total Class Members	\$300.00	1		\$300.00
Total				\$2,984.00

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$6,671.56



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CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT “5”