

1
2
3
4
5
6
7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SAN DIEGO
10

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

15 Plaintiffs,

16 vs.

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

21 Defendants.
22
23
24
25
26
27
28

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

**[PROPOSED] ORDER GRANTING
FINAL APPROVAL OF SETTLEMENT;
AND ENTRY OF JUDGMENT**

Complaint Filed: December 1, 2022

1 The Motion for Final Approval of the Settlement (the “Final Approval Motion”) as set
2 forth in the Class and PAGA Settlement Agreement and Release of Claims (“Settlement
3 Agreement”) came for a hearing in the above-entitled court. The Final Approval Motion was
4 unopposed by Defendants The J.G. Wentworth Company and Settlement Funding, LLC
5 (“Defendants”).

6 Having considered the Final Approval Motion, the Settlement Agreement, the
7 Declarations, and all other materials properly before the Court and having conducted an inquiry
8 pursuant to California Rules of Court, rule 3.769(g), the Court finds that the Settlement
9 Agreement was entered by all parties in good faith, and the Settlement Agreement is approved.
10 Due and adequate notice having been given to the Class, and the Court having considered the
11 Settlement Agreement, all papers filed and proceedings had herein and all oral and written
12 comments received regarding the proposed settlement, and having reviewed the record in this
13 Action, and good cause appearing,

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

15 1. The Court, for purposes of this Judgment and Order (“Judgment”), refers to all
16 defined terms (i.e., terms with initial capitalization) as set forth in the Settlement Agreement,
17 which is attached hereto as Exhibit 1.

18 2. The Court has jurisdiction over the subject matter over this Action,
19 Plaintiffs/Class Representatives Samuel Johnson and Jazmin Valerio, the Class Members and
20 Defendants. The Court finally appoints Plaintiffs as Class Representatives, and further appoints
21 Brian Mankin and Misty Lauby of Lauby Mankin Lauby LLP as Class Counsel.

22 3. For purposes of effectuating this Order and Judgment, this Court has certified the
23 following class: “All current and former nonexempt employees employed by Defendants in
24 California at any time during the Class Period of December 1, 2018, through December 4, 2023.”
25 The Court deems this definition sufficient for purposes of California Rules of Court, rule
26 3.765(a).

1 4. As set forth in the Settlement Agreement, Aggrieved Employees includes: “All
2 current and former nonexempt employees employed by Defendants in California at any time
3 during the PAGA Period of December 1, 2021, through December 4, 2023.”

4 5. The Court finds that the distribution of the Class Notice, as provided for in the
5 Order Granting Preliminary Approval for the Settlement, constituted the best notice practicable
6 under the circumstances to all Class Members and fully met the requirements of California law
7 and due process under the California and United States Constitution. Based on evidence and
8 other material submitted, the actual notice to the class was adequate.

9 6. The Court finds that the instant Action presented a good faith dispute of the
10 claims alleged, and the Court finds in favor of settlement approval.

11 7. The Released Class Claims on behalf of the Participating Class Members
12 included:

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

23 8. The PAGA Released Claims included:

- 24 a. all PAGA claims that Plaintiffs alleged against the Released Parties based on
25 the facts alleged in the relevant LWDA notice letters or the Complaint,
26 including all PAGA claims seeking civil penalties premised upon: (1) failure
27 to pay minimum wages, (2) failure to pay overtime wages, (3) failure to
28 provide meal periods, (4) failure to provide rest breaks, (5) failure to timely

1 pay wages each period, (6) failure to timely pay wages upon separation of
2 employment, (7) failure to provide accurate itemized wage statements, and (8)
3 all other claims for civil penalties recoverable under the Private Attorneys
4 General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged
5 in the LWDA notice letters or Complaint. The time period governing the
6 Released PAGA Claims shall be any time during the PAGA Period.

7 9. There were no Objections and no Requests for Exclusion to the Settlement. Thus,
8 all Class Members are Participating Class Members, who are entitled to an Individual Class
9 Payment pursuant to the Settlement and this Judgment. Likewise, all Aggrieved Employees are
10 entitled to an Individual PAGA Payment, as set forth in the Settlement Agreement.

11 10. The Court approves the Settlement, as set forth in the Settlement Agreement and
12 each of the releases and other terms, as fair, just, reasonable, and adequate as to the Settling
13 Parties. The Parties are directed to perform in accordance with the terms set forth in the
14 Settlement Agreement.

15 11. The Parties are to bear their own attorneys' fees and costs, except as otherwise
16 provided in the Settlement Agreement.

17 12. With respect to the Class and for purposes of approving this Settlement, this Court
18 finds and concludes as follows: (a) the Class Members are ascertainable and so numerous that
19 joinder of all members is impracticable; (b) there are questions of law or fact common to the
20 Class Members, and there is a well-defined community of interest among the Class Members
21 with respect to the subject matter of the Action; (c) the claims of the Class Representatives are
22 typical of the claims of the Class Members; (d) the Class Representatives have fairly and
23 adequately protected the interests of the Class Members; (e) a class action is superior to other
24 available methods for an efficient adjudication of this controversy; and (f) the counsel of record
25 for the Class Representatives, i.e., Class Counsel, are qualified to serve as counsel for Plaintiffs
26 in their individual and representative capacity and for the Class.

27 13. By this Judgment, the Class Representatives shall release, relinquish, and
28 discharge, and each of the Participating Class Members shall be deemed to have, and by

1 operation of the Judgment shall have, fully, finally, and forever released, relinquished, and
2 discharged all Released Class Claims, as defined in the Settlement Agreement. By this
3 Judgment, all Participating Class Members shall be and are hereby permanently barred and
4 enjoined from the institution or prosecution of any and all of the claims released under the terms
5 of the Settlement Agreement.

6 14. Neither the Settlement Agreement nor the Settlement contained therein, nor any
7 act performed or document executed pursuant to or in furtherance of the Settlement Agreement
8 or the Settlement (i) is or may be deemed to be or may be used by the Class Representatives or
9 Participating Class Members as an admission of, or evidence of, the validity of any of the
10 Released Class Claims, or of any wrongdoing or liability of Defendants or any of the other
11 Released Parties; or (ii) is or may be deemed to be or may be used by any of the Class
12 Representatives or Participating Class Members as an admission of, or evidence of, any fault or
13 omission of Defendants or any of the other Released Parties in any civil, criminal, or
14 administrative proceeding in any court, administrative agency, or other tribunal. Defendants or
15 any of the other Released Parties may file the Settlement Agreement and/or the Judgment from
16 this Action in any other action that may be brought against it or them in order to support a
17 defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good
18 faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion
19 or similar defense or counterclaim.

20 15. The Gross Combined Payment to be paid under the Settlement Agreement is
21 \$436,000.00, including a \$186,000 Prior Payment for which Defendants shall receive a credit.
22 From this amount, Class Counsel sought a Class Counsel Fee Payment of \$130,800.00, Class
23 Counsel's litigation expenses of \$12,839.79, a Service Award of \$7,500.00 each to Class
24 Representatives Samuel Johnson and Jazmin Valerio, an Administrator Expenses of \$6,000 to
25 Phoenix Settlement Administrators, and \$18,750 to the LWDA for PAGA penalties and \$6,250
26 to the Aggrieved Employees for PAGA Penalties. Defendants do not oppose these requests. In
27 addition, and concurrently with paying the Settlement Amount, Defendants shall separately pay
28 all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, which

1 shall be reported through the Settlement Administrator. The Court finds that the Settlement
2 Amount is fair, reasonable and adequate, and awards the payments set forth below from the
3 Gross Combined Payment:

- 4 A) \$130,800.00 to Class Counsel for the attorneys' fees;
- 5 B) \$12,839.79 to Class Counsel for litigation costs;
- 6 C) \$15,000.00 (for \$7,500.00 Service Award payments to Class
7 Representatives, Samuel Johnson and Jazmin Valerio);
- 8 D) \$6,000.00 to the Settlement Administrator, Phoenix Settlement
9 Administrators;
- 10 E) \$18,750.00 to the LWDA;
- 11 F) \$6,250.00 to the Aggrieved Employees on a pro rata basis;
- 12 G) \$186,000.00 Credit for Prior Payments made by Defendants;
- 13 H) After deducting the foregoing payments from the Gross Combined
14 Payment, the remainder shall form the Net Settlement Amount payable to the
15 Participating Class Members as set forth in the Settlement Agreement and as calculated
16 by the Settlement Administrator.

17 16. The Settlement Administrator is directed to calculate the Participating Class
18 Member's Individual Class Payments and the Aggrieved Employees' Individual PAGA
19 Payments and issue all payments within in accordance with the Settlement Agreement and this
20 Order/Judgment.

21 17. Concurrently with mailing the settlement checks to the Participating Class
22 Members and Aggrieved Employees, the Settlement Administrator shall include a Notice of
23 Entry of Judgment to all Class Members either on a postcard or as a detachable portion of the
24 check for the Participating Class Members, noting the following: "Please be advised that on
25 [insert date], 2024, the Superior Court of California for the County of San Diego entered
26 Judgment in the case entitled *Johnson v. The J.G. Wentworth Company, et al.*, pending in
27 Superior Court of the State of California, County of San Diego, Case No. 37-2022-00048277-
28 CU-OE-CTL, on behalf of all current and former nonexempt employees employed by

Defendants in California at any time during the Class Period of December 1, 2018, through December 4, 2023.”

18. The Class Members shall have 180 days to negotiate the settlement check from the date of issuance by the Settlement Administrator. In the event that a Participating Class Member or Aggrieved Employee does not negotiate his/her check within this time period, the check will be canceled. The value of the unclaimed funds in the Settlement Administrator’s account as a result of a failure to timely cash a settlement check shall be issued to the State Controller’s Office for the State of California in the name of the person.

19. The following dates shall govern the implementation of this Order/Judgment:

TBD	The Final Order and Judgment is entered, and the Effective Date occurs.
60 days after the Final Order and Judgment is entered (assuming no notice is filed to appeal or vacate final approval and judgment, or otherwise challenge the Settlement)	The Effective Date occurs.
Within 15 days of the Effective Date	Defendants shall issue payment to the Settlement Administrator.
Within 10 days after receipt of payment	Settlement Administrator to issue all Individual Class Payments to the Participating Class Members, Individual PAGA Payments to the Aggrieved Employees, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives’ Service Payments.
180 days after payment is issued	Deadline for Participating Class Members and Aggrieved Employees to cash checks.
June 8, 2025	Class Counsel to file a declaration from the Settlement Administrator setting forth the disbursements that were actually made, including any uncashed checks and <i>status</i> of process of forwarding unclaimed funds to the State Controller (although checks will not actually be forwarded to the State

	Controller until approximately one year after the check cashing deadline due to the mandatory holding period imposed upon the Administrator).
Date: _____ Time: _____ a.m./p.m.	Hearing re: status of disbursements.

20. This document shall constitute a Judgment for purposes of California Rule of Court 3.769(h). The Court reserves exclusive and continuing jurisdiction over the Action, the Class Representatives, the Class Members, and Defendants for the purposes of supervising the implementation, enforcement, construction, administration, and interpretation of the Settlement Agreement and this Judgment.

IT IS SO ORDERED.

Dated: _____

Hon. Katherine Bacal
Judge of the Superior Court

EXHIBIT “1”

Brian J. Mankin, Esq. [CSB No. 216228]
brian@lmlfirm.com
Misty M. Lauby, Esq. [CSB No. 243009]
misty@lmlfirm.com
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

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

Mark J. Payne, Esq. [CSB No. 157989]
mark.payne@troutman.com
TROUTMAN PEPPER HAMILTON SANDERS LLP
5 Park Plaza, Suite 1400
Irvine, CA 92614
Tel: (949) 622-2700 | Fax: (949)295-3097

Attorneys for Defendants THE J.G WENTWORTH COMPANY and SETTLEMENT
FUNDING LLC

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

SAMUEL JOHNSON 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]*

**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

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

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

1 California Labor Code Section 206.5 is not applicable to the Parties or Settlement. Labor Code §
2 206.5 provides in pertinent part as follows: “An employer shall not require the execution of any
3 release of any claim or right on account of wages due, or to become due, or made as an advance
4 on wages to be earned, unless payment of those wages has been made.”

5 **E. Release of PAGA Claims**

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

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

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

18 **F. Release by Plaintiffs and Class Representatives**

19 56. Class Representatives do hereby, for themselves and their spouses, heirs,
20 successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators,
21 guardians, personal representatives, and assigns forever and completely release and discharge the
22 Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises,
23 agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs,
24 losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated
25 damages, exemplary damages, interest, attorneys’ fees, and costs) of any nature whatsoever,
26 from the beginning of time through the execution of this Agreement, whether known or
27 unknown, suspected or unsuspected, including but not limited to all claims arising out of, based
28 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 12, 2023

PLAINTIFF AND CLASS REPRESENTATIVE


SAMUEL JOHNSON (Dec 12, 2023 08:56 PST)

Samuel Johnson

1 Dated: December 14, 2023

PLAINTIFF AND CLASS REPRESENTATIVE

2 
3 Jazmin Valerio (Dec 14, 2023 15:59 PST)

4 Jazmin Valerio

5
6 Dated: December 20, 2023

DEFENDANT THE J.G WENTWORTH COMPANY

7 
8 By: WILLIAM SCHWARTZ
9 Title: CHRO

10
11 Dated: December 20, 2023

SETTLEMENT FUNDING LLC

12 
13 By: WILLIAM SCHWARTZ
14 Title: CHRO

15 **APPROVED AS TO FORM:**

16
17 Dated: December 14, 2023

CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP

18 
19 Brian J. Mankin
20 Attorneys for Plaintiff

21
22 Dated: December 20, 2023

DEFENSE COUNSEL:
TROUTMAN PEPPER HAMILTON SANDERS LLP

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