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

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

HOLLIE COLEMAN, individually, on a
representative basis, and on behalf of all others
similarly situated;

Plaintiff,

v.

FLAGSTAR BANK N.A., a Michigan
Corporation; NEW YORK COMMUNITY
BANCORP, INC., a New York Corporation;
DESERT COMMUNITY BANK and DOES 1
through 20, inclusive;

Defendants.

Case No.: CIVSB2309384
*[Assigned to Hon. Christian Towns, Dept S26,
for all purposes]*

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

Hearing
Date: October 2, 2025
Time: 8:30 a.m.
Dept.: S26

Complaint filed: April 27, 2023

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 Plaintiff 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 Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

1 **COUNSEL'S EXPERIENCE**

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

6 3. I have handled well over 500 employee vs. employer litigation matters during my
7 23 years in practice. Over the last 18 years, my practice has almost entirely consisted of
8 representing employees, the majority of which has included class action and representative
9 action wage and hour matters. In total, I have handled well over 300 class action and
10 representative action wage/hour cases, and have been appointed by the court as class counsel and
11 have received final court approval and judgment in over half of those actions to date, and
12 anticipate receiving final approval in many more of those in the future.

13 4. As part of these settlements and judgments, I have recovered well in excess of
14 \$250 million in damages for my clients and the class members (who often work as nurses,
15 ambulance drivers, technicians, warehouse workers, truck drivers, sales, professional
16 occupations and countless other trades). My team and I once held the record for the largest
17 PAGA-only case in California's history - a \$12.5 million-dollar court approved settlement,
18 which followed extensive litigation, summary adjudication and writs to the CA Supreme Court
19 against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior Court).

20 5. I have tried two major class and PAGA cases against Fortune 100 companies over
21 the last few years. I was lead counsel in a PAGA case that my firm tried in the Orange County
22 Superior Court and received a \$425,000 judgment. I was co-counsel in a class action case
23 against Walmart that was tried to the jury in District Court, wherein the jury awarded Plaintiffs
24 over \$6 million. Both cases were appealed, and ultimately the jury trial verdict was affirmed and
25 the PAGA case was reversed and remanded.

26 6. I was named by the LA Times as one "Southern California Leading Lawyers" in
27 the May 2023 issue of Consumer Attorney's of Southern California (a recognition given to 17
28 employment/labor law attorneys in 2023). Additionally, over the last 5+ consecutive years, I

1 have been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that
2 only 5% of lawyers receive.

3 **BRIEF SUMMARY OF THE SETTLEMENT**

4 7. Following a contested litigation process, Plaintiff and Defendants (collectively,
5 the “Parties”) entered into a Joint Stipulation and Settlement Agreement of Class Action and
6 Representative Action Claims (the “Settlement Agreement” or “S.A.”), which is attached
7 hereto as **Exhibit 1**.

8 8. The Settlement Agreement seeks to release and discharge Defendants from the
9 claims brought against it in exchange for Defendants’ agreement to pay \$850,000 on a non-
10 reversionary, non-claims made basis (each Class Member will receive his/her share of the Net
11 Settlement Amount without having to submit a claim form or take any action, except for those
12 who opt-out). As set forth in the motion and Settlement Agreement, Plaintiff seeks to represent
13 all current and former nonexempt, employees employed by Defendants in California at any
14 time during the Class Period of April 27, 2019, through April 19, 2025.

15 9. Under the terms of the Settlement Agreement, Defendants will not oppose
16 Plaintiff Counsel’s application for a reasonable award of attorney’s fees not to exceed
17 \$283,333.33 (1/3 of the Gross Settlement Amount), litigation expenses not to exceed \$25,000,
18 Administrator Expenses of \$10,000, PAGA penalties of \$50,000 (with 75% to the LWDA and
19 25% to the Aggrieved Employees on a pro rata basis), and a Service Payment of \$10,000 to
20 Plaintiff Hollie Coleman (“Class Representative”). After subtracting the agreed-upon
21 deductions from the Settlement Amount, approximately \$471,666.67 will be available to pay
22 the Individual Class Payments to the Class Members who do not opt-out of the settlement, as
23 follows:

24

<i>Gross Settlement Amount</i>	\$ 850,000.00
Attorneys’ Fees (1/3)	\$ 283,333.33
Litigation Costs	\$ 25,000.00
Administrator Costs	\$ 10,000.00
PAGA Penalties	\$ 50,000.00
Class Representative Service Award	\$ 10,000.00
<i>Net Settlement Amount</i>	\$ 471,666.67

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10. Assuming 850 Class Members, the average payment to each class member will be approximately \$819.55 each. However, the actual payment will be calculated on a pro-rata basis according to the number of Workweeks during the Class Period. In addition, the Aggrieved Employees will receive a share of the \$12,500 PAGA Penalties (25% of the total \$50,000 PAGA allocation), calculated pro-rata based on the number of Pay Periods worked during the PAGA Period.

11. Each Class Member will receive the Class Notice, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of showing the estimated amount that each Class Member will receive and the credited number of Workweeks during the Class Period and pay periods during PAGA Period, which is attached hereto as **Exhibit 2**.

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

13. After being retained by Plaintiff, we sent a letter to Defendants requesting the production of Plaintiff's personnel and timekeeping records in order to further evaluate her wage and hour claims. On April 26, 2023, we submitted a letter to the California Labor Workforce Development Agency (the "LWDA") for civil penalties under the Private Attorney General Act of 2004 (the "PAGA").

14. The following day, Plaintiff filed a class action complaint in this action, alleging (1) failure to pay proper minimum wages, (2) failure to pay overtime wages, (3) failure to provide compliant meal periods, (4) failure to provide compliant rest periods, (5) failure to reimburse for business expenses, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (7) unfair and unlawful competition.

1 15. Defendants retained counsel and immediately began to defend the case, including
2 alleging in the Joint Initial Status Conference Report that “The Parties entered into an Arbitration
3 Agreement that includes an agreement to arbitrate all class and collective claims he may have
4 against Defendant, including the claims in this lawsuit... Therefore, Plaintiff must dismiss her
5 complaint, and instead file a demand for arbitration. The Parties will meet and confer regarding
6 this issue. If Plaintiff refuses to submit her claims to arbitration, Defendants will file a motion to
7 compel arbitration.” In response, Plaintiff advised that she intended to oppose the arbitration and
8 instead requested that Defendants stipulate to the filing a first amended complaint to add PAGA
9 claims. At that time, the Parties agree to stay all pleadings in order to mediate the action.

10 16. In preparation for the mediation, the Parties informally exchanged documents and
11 information that allowed both sides to calculate the potential damages and evaluate potential risk,
12 including policies and procedures pertaining to each claim alleged, and statistics relating to the
13 number of current and former employees, number of shifts, pay periods and weeks worked and
14 other things. Defendants also provided its written policies and practices and a robust sampling of
15 payroll and timekeeping records for Class Members, which included extensive documentation
16 and excel data. This information enabled both parties to take a deep dive into the claims.
17 Additionally, during this process, Plaintiff and her counsel analyzed, researched, and
18 investigated the potential issues, including matters related to the calculation of damages, trial,
19 and appellate issues and risks. Plaintiff also retained an expert to perform a statistical analysis of
20 the claims and violations.

21 17. On February 4, 2025, Plaintiff and Defendants participated in mediation before
22 Hon. Amy Hogue (Ret.), a retired superior court judge who sat on the Los Angeles Complex
23 Panel and presided over class actions, and now serves as a wage-and-hour class action mediator.
24 The matter resolved at mediation pursuant to a mediator’s proposal, which was accepted by the
25 Parties.

26 **THE SETTLEMENT IS FAIR, JUST, AND REASONABLE**

27 18. The settlement was the product of extensive arm’s length negotiations, facilitated
28 by an experienced mediator. Though cordial and professional, the settlement negotiations were

1 adversarial and non-collusive in nature. The settlement reached is the product of substantial
2 effort by the parties and their counsel. Although we believed that there was a possibility of
3 certifying the claims, we recognized the potential risk, expense, and complexity posed by
4 litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or
5 on the damages awarded, and/or on an appeal that can take several more years to litigate.

6 19. The settlement will result in a fair payment to each Class Member based on the
7 percentage of weeks worked during the Class Period and other factors as set forth in the
8 Settlement Agreement. As set forth hereinabove, Plaintiff and her counsel have diligently
9 investigated the claims and defenses on behalf of the Class Members and worked to achieve a
10 resolution of the claims to maximize the recovery by avoiding further expenditure of attorneys'
11 fees and costs. After evaluating the significant risks attendant with further litigation described
12 above and weighing them against the benefits of a known compromise and settlement as set forth
13 in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best
14 interest of Plaintiff and the Class, and is a fair and reasonable resolution of the claims alleged.

15 20. My office brought to bear a great deal of experience in negotiating the settlement
16 of this case. As detailed herein, my office engaged in the necessary discovery and investigation,
17 making it possible to exercise informed judgment throughout the settlement process, including
18 significant document review (e.g. documents pertaining to Defendants' policies and procedures,
19 personnel documents, among others), and conducted an extensive analysis of the detailed class-
20 wide data provided by Defendants.

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

27 22. Plaintiff's counsel, as well as Defendants' counsel, fully endorse the terms and
28 conditions of the settlement as set forth in the abovementioned Settlement Agreement.

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

5 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

6 24. Plaintiff seeks an enhancement payment of \$10,000 for her service to the class,
7 which I believe is fair and warranted. Plaintiff came forward in an effort to effectuate a policy
8 and practice change that benefitted all other Class Members, and to recover unpaid wages. She
9 assumed significant risk in bringing this litigation—namely, had she lost, she would have been
10 ordered to pay Defendants' costs.

11 25. Plaintiff provided invaluable assistance to my office and the Class in this case,
12 including providing factual background for the Class Complaint; reviewing the litigation
13 documents; providing information and documents about Defendants' policies and practices;
14 participating in phone calls to discuss litigation and settlement strategy; and reviewing the
15 settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal
16 benefit. At final approval, Plaintiff will submit a comprehensive declaration setting forth all of
17 the reasons why she believes that the service award should be approved.

18 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
19 **REQUESTED FEES AND COSTS**

20 26. As set forth above, I have handled over 300 class and representative actions, have
21 been appointed as class counsel and have successfully resolved over half of those cases, and
22 many others remain pending and will successfully resolve in the future.

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

27 28. It is my experience that attorney fee awards of one-third of a common fund
28 settlement is the standard in California. In this case, Plaintiff's counsel agreed to seek one-third

1 of the Settlement Amount for attorneys' fees. Defendants do not oppose this fee request. The fee
2 is further warranted because it is within the range of reasonableness typically awarded in class
3 actions. The costs are reasonably capped at \$25,000 and will be based on the actual amount of
4 costs incurred at the time of final approval.

5 SETTLEMENT ADMINISTRATOR

6 29. The parties request that the Court appoint Phoenix Settlement Administrators to
7 serve as the Settlement Administrator. It is experienced in administering class action
8 settlements, and has provided a proposal to administer this settlement for a total of \$10,000,
9 which is attached hereto as **Exhibit 3**.

10 SUBMISSION TO THE LWDA

11 30. Plaintiff has concurrently submitted the settlement and motion documents to the
12 LWDA in accordance with Labor Code § 2699(1)(2). The proof of submission is attached hereto
13 as **Exhibit 4**.

14 EXHIBITS AND CONCLUSION

15 31. The fully signed Settlement Agreement is attached as Exhibit "1."

16 32. The proposed Class Notice is attached hereto as Exhibit "2."

17 33. Phoenix Settlement Administrators' proposal to administer the Settlement is
18 attached as Exhibit "3."

19 34. The LWDA's confirmation of receipt of this Motion, Declarations and exhibits is
20 attached hereto as Exhibit "4."

21 35. For the foregoing reasons, it is respectfully requested that the Court grant
22 preliminary approval of the settlement as being fair, reasonable, and in the best interests of the
23 class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement
24 payment to the Class Representative.

1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct. Executed on September 9, 2025, at Riverside, California.

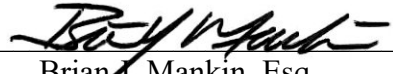
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4 By: 
5 Brian J. Mankin, Esq.
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EXHIBIT “1”

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5 Attorneys for Plaintiff, on a representative basis and on
6 behalf of all others similarly situated

7
8 *[Additional Counsel Listed on Next Page]*

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN BERNARDINO

11
12 HOLLIE COLEMAN, individually, on a
13 representative basis, and on behalf of all others
14 similarly situated;
Plaintiff,

15 v.

16 FLAGSTAR BANK N.A., a Michigan
17 Corporation; NEW YORK COMMUNITY
18 BANCORP, INC., a New York Corporation;
19 DESERT COMMUNITY BANK and DOES 1
through 20, inclusive;
Defendants.

Case No. CIVSB2309384

**JOINT STIPULATION AND
SETTLEMENT AGREEMENT OF
CLASS ACTION AND
REPRESENTATIVE CLAIMS**

ASSIGNED FOR ALL PURPOSES TO
JUDGE CHRISTIAN TOWNS, DEPT S26

Complaint Filed: April 24, 2023

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13 Attorneys for Defendants
14 Flagstar Bank N.A., New York Community Bancorp, Inc.,
15 and Desert Community Bank
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1 This Joint Stipulation and Settlement Agreement of Class Action and Representative Action
2 Claims (“Stipulation of Settlement” or “Settlement” or “Settlement Agreement”) is made and
3 entered into by and between Hollie Coleman (“Named Plaintiff”) and on behalf of the Settlement
4 Class and PAGA Employees (as defined below) and Defendants Flagstar Bank N.A. (also
5 previously Flagstar Bank, FSB, erroneously named as Desert Community Bank); and Flagstar
6 Financial, Inc. (previously New York Community Bancorp, Inc.) (collectively, “Defendants”)
7 (Named Plaintiff and Defendants are, collectively, the “Parties”).

8 THE PARTIES STIPULATE AND AGREE as follows:

9 **DEFINITIONS**

10 1. **“Court”** means the Superior Court of the State of California for the County of San
11 Bernardino.

12 2. **“Covered Employees”** means both Participating Class Members and PAGA
13 Employees.

14 3. **“Defendants’ Counsel”** means Elizabeth Staggs-Wilson, Esq., and Jyoti Mittal,
15 Esq. of Littler Mendelson, P.C.

16 4. **“Effective Date”** of the Settlement shall mean the later of the following events: five
17 (5) calendar days after the period for filing any appeal, writ, or other appellate proceeding opposing
18 final approval and judgment has elapsed without any appeal, writ, or other appellate proceeding
19 having been filed, *i.e.*, 65 days from the date the court grants final approval, enters judgment, and
20 notice of entry of judgment is filed; or, if any appeal, writ, or other appellate proceeding opposing
21 final approval has been filed within that timeframe; five business days after any appeal, writ, or
22 other appellate proceedings opposing the Settlement has finally and conclusively dismissed with
23 no right to pursue further remedies or relief, and as further discussed in Paragraph 42, below.

24 5. **“Enhancement Award”** means the payment made to Named Plaintiff in her
25 capacity as class representative, which sum is over and above her Individual Settlement Payment.

26 6. **“Final Approval Hearing”** means the hearing whereat the Court shall consider,
27 without limitations, any timely objections to the Settlement from Settlement Class Members,
28 testimony from the Parties or their counsel, declarations regarding the claims process from the

1 Settlement Administrator, and otherwise make a final determination regarding the fairness of the
2 Settlement as set forth herein.

3 7. **“Final Order and Judgment”** means the Final Order Approving Class Action and
4 PAGA Settlement and Judgment in a form to be agreed upon by the Parties and approved by the
5 Court.

6 8. **“Gross Settlement Amount”** means Eight Hundred and Fifty Thousand Dollars and
7 Zero Cents (\$850,000.00). The Gross Settlement Amount shall cover, resolve, and fully satisfy:
8 (1) all payments to be made to Settlement Class Members; (2) all payments to be made to the Labor
9 and Workforce Development Agency (“LWDA”); (3) all payments to be made to the PAGA
10 Employees; (4) all attorneys’ fees; (5) all costs approved by the Court; (6) all fees to be paid to a
11 settlement administrator, and (7) the Enhancement Award. In no event shall Defendants be liable
12 for the payment of any amounts exceeding the Gross Settlement Amount with the exception of the
13 employer’s share of payroll taxes due and payable as a result of this Settlement, which shall be paid
14 separately from the Gross Settlement Amount.

15 9. **“Individual Settlement Payment”** is the portion of the Net Settlement Amount
16 payable to a Participating Class Member.

17 10. **“Information Security Agreement”** means the separate Information Security
18 Agreement entered into by Defendants and the Settlement Administrator in substantially the form
19 attached hereto as **Exhibit B**, as discussed in Paragraph 56, below.

20 11. **“Lawsuit”** shall mean the action entitled *Hollie Coleman v. Flagstar Bank N.A.*;
21 *New York Community Bancorp, Inc.*; *Desert Community Bank*; and *Does 1 through 20, inclusive*
22 pending in San Bernardino Superior Court, Case No. CIVSB2309384, filed on April 28, 2023.

23 12. **“Named Plaintiff”** means Plaintiff Hollie Coleman.

24 13. **“Net Settlement Amount”** has the meaning ascribed to it in Paragraph 47, below.

25 14. **“Notice”** or **“Class Notice”** means the Notice of Class and Representative Action
26 Settlement in substantially the form attached hereto as **Exhibit A**, and as approved by the Court.

27 15. **“PAGA”** means the California Labor Code Private Attorneys General Act, Labor
28 Code §§ 2698 *et seq.*

1 16. **“PAGA Employees”** means all current and former nonexempt, employees
2 employed by Defendants in California at any time in the PAGA Period.

3 17. **“PAGA Employee Payments”** means the payment issued to each PAGA Employee
4 for his/her/their share of the PAGA Payment.

5 18. **“PAGA Notice”** means and refers to Named Plaintiff’s Notice of PAGA Violations
6 that was sent to the LWDA, filed on or about April 26, 2023.

7 19. **“PAGA Payment”** means the payment to the LWDA and the PAGA Employees in
8 settlement of all claims for PAGA penalties.

9 20. **“PAGA Period”** means the time period from April 26, 2022, through April 19,
10 2025.

11 21. **“Participating Class Members”** means those Settlement Class Members who will
12 receive a share of the Net Settlement Amount.

13 22. **“Released Claims”** has the meaning ascribed to it in Paragraph 68 below.

14 23. **“Released Class Claims”** has the meaning ascribed to it in Paragraph 68(a)(i)
15 below.

16 24. **“Released PAGA Claims”** has the meaning ascribed to it in Paragraph 68(b)(i)
17 below.

18 25. **“Released Parties”** collectively shall encompass Defendants and any of their past,
19 present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates,
20 including but not limited to Flagstar Bank N.A., Flagstar Financial, Inc., New York Community
21 Bancorp, Inc., Flagstar Bank, FSB, and Desert Community Bank, as well as each of its past, present
22 and future officers, directors, employees, partners, members, shareholders and agents, attorneys,
23 insurers, reinsurers, and any individual or entity which could be jointly liable with Defendants.

24 26. **“Settlement Administrator”** means Phoenix Settlement Administrators.

25 27. **“Settlement Class”** means all current and former nonexempt, employees employed
26 by Defendants in California at any time in the Settlement Class Period.

27 28. **“Settlement Class Counsel”** means Brian J. Mankin, Esq., and Misty M. Lauby,
28 Esq. of Lauby, Mankin & Lauby LLP.

1 Settlement Class Members. Counsel for the Parties further agree that the Settlement is fair,
2 reasonable and adequate with respect to civil penalties sought pursuant to PAGA.

3 38. The Parties agree to cooperate and take all steps necessary and appropriate to
4 consummate this settlement in accordance with the terms of this Stipulation of Settlement.

5 **NO ADMISSION**

6 39. Nothing contained herein, nor the consummation of this Stipulation of Settlement,
7 is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on
8 the part of Defendants. Each of the Parties hereto has entered into this Stipulation of Settlement
9 solely with the intention to avoid further disputes and litigation with the attendant inconvenience
10 and expenses. Defendants deny liability and deny that Named Plaintiff would ultimately be entitled
11 to certify a class as defined in the Complaint.

12 **TERMS OF SETTLEMENT**

13 40. In consideration of the mutual covenants, promises and agreements set forth herein,
14 the Parties agree, subject to the Court's approval, to the terms herein.

15 41. It is agreed by and between Named Plaintiff and Defendants that the Lawsuit and
16 any claims, demands, liabilities, penalties, damages or causes of action of any kind whatsoever
17 claimed by Named Plaintiff on behalf of herself, the Settlement Class Members, and/or the PAGA
18 Employees arising out of the disputes which are the subject of the Lawsuit, be settled and
19 compromised, subject to the terms and conditions set forth in this Stipulation of Settlement and the
20 Court's approval.

21 42. Effective Date: The Effective Date of the Settlement shall mean the later of the
22 following events: five (5) calendar days after the period for filing any appeal, writ, or other appellate
23 proceeding opposing final approval and judgment has elapsed without any appeal, writ, or other
24 appellate proceeding having been filed, *i.e.*, 65 days from the date the court grants final approval,
25 enters judgment, and notice of entry of judgment is filed; or, if any appeal, writ, or other appellate
26 proceeding opposing final approval has been filed within that timeframe; five business days after
27 any appeal, writ, or other appellate proceedings opposing the Settlement has finally and
28 conclusively dismissed with no right to pursue further remedies or relief. No funding of the

1 Settlement shall occur until at least ten (10) calendar days after the Effective Date. If the Court
2 declines to approve the Settlement, the entire Stipulation of Settlement is deemed void and
3 unenforceable as if no settlement of any claim was ever reached. All negotiations, statements and
4 proceedings and data relating thereto shall be protected by California Evidence Code §1152 and
5 shall be without prejudice to the rights of any of the Parties.

6 43. Gross Settlement Amount: To implement the terms of this Settlement, Defendants
7 agree to pay a maximum total payment of Eight Hundred and Fifty Thousand Dollars and Zero
8 Cents (\$850,000.00). With the exception of Defendants' share of employment taxes, which shall
9 be paid separately by Defendants, the Gross Settlement Amount will include all payments to be
10 made to Settlement Class Members, the LWDA, the PAGA Employees, attorneys' fees, costs
11 approved by the Court, fees to be paid to a settlement administrator, and the Enhancement Award.
12 In no event shall Defendants be liable for the payment of any amounts exceeding the Gross
13 Settlement Amount with the exception of the employer's share of payroll taxes due and payable as
14 a result of this Settlement, which shall be paid separately from the Gross Settlement Amount.

15 44. Tax Treatment of the Gross Settlement Amount: The Parties agree that the Gross
16 Settlement Amount will qualify as a settlement fund pursuant to the requirements of section
17 468(B)(g) of the Internal Revenue Code of 1986, as amended, and section 1.468B-1 *et seq.* of the
18 income tax regulations. Furthermore, the Settlement Administrator is hereby designated as the
19 "Administrator" of the qualified settlement funds for purposes of section 1.46B-2(k) of the income
20 tax regulations. As such, all taxes imposed on the gross income of the Gross Settlement Amount
21 and any tax-related expenses arising from any income tax return or other reporting document that
22 may be required by the Internal Revenue Service or any state or local taxing body will be paid from
23 the Gross Settlement Amount.

24 45. Funding of Gross Settlement Amount: At least ten (10) calendar days after the
25 Effective Date, Defendants shall transfer to the Settlement Administrator an amount equal to the
26 Gross Settlement Amount plus the employer's share of payroll taxes. The delivery of the Gross
27 Settlement Amount and the employer's share of payroll taxes to the Settlement Administrator shall
28 constitute full and complete discharge of the entire obligation of Defendants under this Settlement.

Once Defendants have made such payments, it will be deemed to have satisfied all terms and conditions under this Settlement, shall be entitled to all protections afforded to Defendants under this Settlement, and shall have no further obligations under the terms of the Settlement regardless of what occurs with respect to those sums.

46. Allocation of the Gross Settlement Amount: Subject to Court approval and the conditions specified in this Agreement, and in consideration of the mutual covenants and promises set forth herein, the Parties agree the Gross Settlement Amount shall encompass the following: (1) all payments to be made to Settlement Class Members; (2) all payments to be made to the LWDA; (3) all payments to be made to the PAGA Employees; (4) attorneys' fees; (5) attorney's costs approved by the Court (6) fees to be paid to a Settlement Administrator and; (7) the Enhancement Award.

47. The Gross Settlement Amount less: (1) attorneys' fees; (2) attorney's costs approved by the Court; (3) Enhancement Award; (4) PAGA Payment; and (6) Settlement Administrator costs, shall constitute the "Net Settlement Amount."

a. The Net Settlement Amount shall be divided among the Participating Class Members on a pro-rata basis, based upon the following:

- i. Each Participating Class Members' workweek count, which shall be the sum of the total number of Workweeks the Settlement Class Member worked during the Settlement Class Period;
- ii. Divided by the combined sum of all Participating Class Members' Workweek counts; and
- iii. Multiplied by the value of the Net Settlement Amount.

b. If any Settlement Class Member disputes the basis for determining their share of the Net Settlement Amount, the Settlement Administrator must encourage the challenging Settlement Class Member to submit supporting documentation. The Parties agree that if any Settlement Class Member disputes the basis for determining their share of the Settlement, Defendants' records shall presumptively control unless the Settlement Class Member can produce documentation evidence of other workweeks worked during the Settlement Class Period. The

1 Parties further agree that any dispute that cannot be resolved by Settlement Class Counsel and
2 Defendants' Counsel may be brought before the Court before the final approval hearing of the Class
3 Settlement.

4 c. To the extent that amounts in Paragraphs 51 and 52 below are not approved
5 by the Court, such amounts will be reallocated to the Net Settlement Amount unless allocated
6 otherwise by agreement of the Parties, with approval of the Court.

7 d. The Parties agree that twenty percent (20%) of the Net Settlement Amount
8 distributed to each Participating Class Member will be considered wages, and will be reported as
9 such to each Participating Class Member on an IRS Form W-2. The Parties agree that eighty percent
10 (80%) of the Net Settlement Amount distributed to each Participating Class Member will be
11 considered penalties and interest, and will be reported as such to each Participating Class Member
12 on an IRS Form 1099 misc., if applicable. The foregoing tax allocation shall apply to the Individual
13 Settlement Payment paid to Named Plaintiff. The Parties further agree that the PAGA Payment
14 distributed to each PAGA Employee will be treated entirely as civil penalties, and will be reported
15 as such to each PAGA Employee on an IRS Form 1099 misc., if applicable.

16 e. Within ten (10) calendar days of the transfer of the Gross Settlement Amount
17 to the Settlement Administrator, and only upon the Effective Date being met, the Settlement
18 Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class
19 Members; (2) the Attorney Fee Award and Cost Award to Settlement Class Counsel for attorneys'
20 fees and costs, as approved by the Court; (3) the Enhancement Award, as approved by the Court;
21 (4) Administrative Costs, as approved by the Court; and (5) the PAGA Payment, as approved by
22 the Court.

23 f. Participating Class Members and PAGA Employees must cash or deposit
24 their Individual Settlement Payment and PAGA Employee Payment checks within one hundred
25 eighty (180) days from the date of issuance of the check. If any checks are not redeemed or
26 deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a
27 reminder postcard indicating that unless the check is redeemed or deposited by the end of the check
28 cashing period, it will expire and become non-negotiable. If any checks remain uncashed or not

1 deposited by the expiration of the 180 day check cashing period after mailing the checks, the
2 Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed,
3 cancel the checks. All funds associated with the Individual Settlement Payment checks and PAGA
4 Employee Payment checks returned as undeliverable and funds associated with those Individual
5 Settlement Payment checks and PAGA Employee Payment checks remaining uncashed, shall be
6 delivered to the State of California's State Controller Unclaimed Property Fund with an
7 identification of the amount of unclaimed funds attributable to each Settlement Class Member and
8 PAGA Employee.

9 48. PAGA Payment: Subject to the Court's Approval, up to a maximum of \$50,000 shall
10 be allocated as the PAGA Payment. \$37,500, representing 75% of the PAGA Payment, shall be
11 paid to the LWDA. \$12,500, representing 25% of the penalties paid pursuant to PAGA, shall be
12 distributed to the PAGA Employees as PAGA Employee Payments. To arrive at the PAGA
13 Employee Payments, the portion of the PAGA Payment allocated to the PAGA Employees shall be
14 divided among the PAGA Employees on a pro-rata basis, based upon the following:

- 15 a. Each PAGA Employee's pay period count, which shall be the sum of the
16 total number of pay periods the PAGA Employee worked during the PAGA Period;
17 b. Divided by the combined sum of all PAGA Employees' pay period counts;
18 and
19 c. Multiplied by \$12,500 (the total amount allocated to the employee portion
20 of the PAGA Payment).

21 49. Individual Settlement Payments Do Not Trigger Additional Benefits: All Individual
22 Settlement Payments, PAGA Employee Payments, and the Enhancement Award shall not be
23 utilized to calculate any additional benefits under any benefit plans to which any Named Plaintiff,
24 Settlement Class Members and/or PAGA Employees may be eligible including, but not limited to:
25 retirement plans, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
26 plans, paid time off, sick leave plans, PTO plans, pension plans, or any other benefit plan. It is the
27 Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which
28 Named Plaintiff, Settlement Class Members and PAGA Employees may be entitled under any

1 benefit plans.

2 50. Settlement Administrator: The Settlement Administrator shall be Phoenix
3 Settlement Administrators (the “Settlement Administrator”). The Settlement Administrator will
4 maintain acceptable electronic and physical security protocols to adequately protect and safeguard
5 the private employee information it will have access to as a result of the claims process per the
6 Information Security Agreement. The fees and expenses of the Settlement Administrator, which is
7 currently estimated at approximately ten thousand dollars and zero cents (\$10,000), shall be paid
8 through the Gross Settlement Amount.

9 51. Attorneys’ Fees and Attorneys’ Costs: Subject to the Court’s approval, Settlement
10 Class Counsel may petition the Court for attorneys’ fees up to one-third of the Gross Settlement
11 Amount, plus reasonable costs/expenses not to exceed \$25,000, subject to approval by the Court.
12 Defendants will not object to Settlement Class Counsel’s application for attorneys’ fees and costs
13 in these amounts. The amount set forth above will cover all work performed and all fees and costs
14 incurred to date, and all work to be performed and all fees and costs to be incurred in the future in
15 connection with the approval by the Court of this Stipulation of Settlement, and the administration
16 of the Settlement. Should Settlement Class Counsel collectively request a lesser amount, or should
17 the Court approve a lesser amount of attorneys’ fees and/or attorneys’ costs, the difference between
18 the lesser amount and the maximum amount set forth above shall be added to the Net Settlement
19 Amount. Settlement Class Counsel shall not be entitled to further fees or costs from Defendants if
20 they elect to appeal any reduction in the requested fee or cost award. Any reduction by the Court
21 of Settlement Class Counsel’s claimed attorneys’ fees and/or reasonable costs/expenses shall not
22 be sufficient grounds to void the Settlement. Named Plaintiff and Defendants shall bear their own
23 attorneys’ fees and costs, except as provided herein.

24 52. Named Plaintiff’s Enhancement Award: Subject to the Court’s approval, the Named
25 Plaintiff will be paid an Enhancement Award in an amount up to a maximum of \$10,000 in
26 recognition for her service as a class representative, which shall be paid from the Gross Settlement
27 Amount. Defendants will not object to Settlement Class Counsel’s application for Court approval
28 of the Enhancement Award in the amount of \$10,000 to Named Plaintiff. It is understood that the

1 Enhancement Award is in addition to any claimed Individual Settlement Payment or PAGA
2 Employee Payment to which Named Plaintiff is entitled. The Enhancement Award shall not be
3 deemed wages and will be reported on an IRS Form 1099-MISC, if applicable.

4 53. Tax Forms: The Settlement Administrator shall be responsible for issuing the
5 payments and withholding all required state and federal taxes in accordance with this Stipulation
6 of Settlement. The Settlement Administrator will issue an IRS W-2 to each Participating Settlement
7 Class Member for the portion of each Individual Settlement Payment allocated as alleged unpaid
8 wages and subject to applicable tax withholdings. The Settlement Administrator shall issue an IRS
9 Form 1099-MISC to each Participating Settlement Class Member for the portion of each Individual
10 Settlement Payment allocated as alleged unpaid non-wage penalties and interest and not subject to
11 payroll tax withholdings. The Settlement Administrator will also issue IRS Forms 1099 to: (1)
12 Named Plaintiff for the Enhancement Award; (2) the PAGA Employees for their portion of the
13 PAGA Payment; and (3) Settlement Class Counsel for the amount paid for approved fees and costs.
14 The Settlement Administrator will be responsible for preparing these forms correctly. The
15 Settlement Administrator shall also be responsible for submitting Defendants' share of payroll taxes
16 to the appropriate government agencies on behalf of Defendants. Named Plaintiff and Settlement
17 Class Counsel will be responsible for correctly characterizing this compensation for tax purposes
18 and for paying any taxes on the amounts received.

19 54. Indemnification: Named Plaintiff and Settlement Class Counsel acknowledge and
20 agree that they are and will be responsible for the payment of any and all Federal, State, and Local
21 taxes or penalties associated with their respective allocated portions of the payments described
22 herein, and agree to indemnify and hold the Released Parties harmless from any and all claims by
23 any Federal, State, or Local taxing authority that Named Plaintiff or Settlement Class Counsel failed
24 to pay or underpaid their or her or his share of taxes associated with the payments set forth in this
25 Settlement. The Parties acknowledge and agree that Settlement Class Counsel is not responsible
26 for the payment of any Federal, State, and Local taxes or penalties associated with payments to
27 Named Plaintiff and Settlement Class Members.

NOTICE TO THE SETTLEMENT CLASS

55. Within twenty (20) calendar days of the preliminary approval order of this Settlement by the Court, Defendants shall provide to the Settlement Administrator a database containing the following information (“Class Member List”):

a. The full name, last known address, last known telephone number, and full social security number of all Settlement Class Members; and

b. The information necessary to determine the estimated settlement allocation to each Settlement Class Member, including without limitation, the total number of workweeks worked by each Settlement Class Member and the total number of pay periods worked by each PAGA Employee within the relevant Settlement Class Period and PAGA Period.

56. The Settlement Administrator (along with any of its agents) shall enter into the Information Security Agreement, and warrants that it will: (1) provide reasonable and appropriate administrative, physical and technical safeguards, including a reasonable security protocol, for any personally identifiable information (“PII”), which it receives from Defendants’ Counsel and/or Settlement Class Counsel; (2) not disclose the PII to third parties, including to Plaintiff and Plaintiffs’ counsel, agents or subcontractors; (3) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; and (4) promptly provide Defendants with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction. The Settlement Administrator may provide notice to all Parties if the PII is subject to unauthorized access, use, disclosure, modification or destruction; however, all additional communications from the Settlement Administrator regarding the scope, circumstances, and substance shall be communicated solely to Defendants.

57. The Settlement Administrator shall send a Notice to each Settlement Class Member by first-class mail within fourteen (14) calendar days of receipt of the Class Member List. Prior to mailing the Notice, the Settlement Administrator shall update the addresses of the Settlement Class Members by reference to the National Change of Address Database maintained by the United States Postal Service. If a Notice is returned as nondeliverable but with a forwarding address, the Settlement Administrator shall resend the Notice to the forwarding address. If a Notice is returned

1 as nondeliverable with no forwarding address, the Settlement Administrator shall conduct a skip
2 trace to locate the correct address of the person to whom the Notice was addressed. Once the
3 Settlement Administrator locates a new address, it will mail the Notice to the new address and the
4 member of the Settlement Class shall have an additional 15 calendar days from the date of re-
5 mailing to object, opt-out or dispute workweeks. Upon completion of these steps, the Parties shall
6 be deemed to have satisfied their obligations to provide the Notice to the affected Settlement Class
7 Members.

8 58. The Settlement Administrator shall provide to the Court, concurrently with Named
9 Plaintiff's Motion for Final Approval, a declaration of due diligence and proof of mailing with
10 regard to the mailing of the Notices.

11 59. The Settlement Administrator shall also be responsible for:

- 12 a. Mailing the Notice as directed by the Court;
- 13 b. Consulting with counsel for the Parties concerning any relevant issue,
14 including (without limitation) the estimated amounts of approximate Individual Settlement
15 Payments, PAGA Employee Payments, and the acceptance of any late or deficient disputes;
- 16 c. Keeping track of timely and proper requests for exclusion;
- 17 d. Calculation of the Individual Settlement Payments, PAGA Employee
18 Payments, and the PAGA Payment to the LWDA;
- 19 e. Providing weekly status reports to counsel for the Parties, including: (1) the
20 number of Notices mailed (including information regarding undeliverable and/or emailed Notices);
21 (2) the number of disputes received (and sending copies of said disputes); (3) the number of
22 objections received; and (4) the number of requests for exclusion received;
- 23 f. Notifying Defendants' Counsel of the wiring instructions to fund the Gross
24 Settlement Amount as approved by the Court;
- 25 g. Preparing the checks containing the Individual Settlement Payments;
- 26 h. Distributing and paying the Enhancement Award, Individual Settlement
27 Payments, PAGA Employee Payments, the PAGA payment to the LWDA, and fees and costs
28 awarded to Settlement Class Counsel;

i. Issuing tax forms and addressing employer and employee-side payroll taxes;
and

j. Such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform, including responding to questions from Settlement Class Members.

RESPONSE DEADLINE

60. Each Settlement Class Member shall have thirty (30) calendar days from the mailing of the Notice within to submit an objection, request for exclusion and/or dispute as to the number of workweeks credited to the Settlement Administrator who will provide weekly reports to counsel and email copies of any objection, exclusion or dispute forthwith to counsel (the “Response Deadline”). Within seven (7) days of the Response Deadline, the Settlement Administrator shall prepare a declaration regarding the notice process and attach a copy of the objection with the declaration.

REQUESTS FOR EXCLUSION

61. The written request for exclusion must: (1) state the Settlement Class Member’s name, address, telephone number, and social security number or employee identification number; (2) state the Settlement Class Member’s intention to exclude themselves from or opt-out of the Settlement (*e.g.* “I want to exclude myself from this settlement. I also understand that I retain all rights to sue the Defendants for the claims asserted in this lawsuit.”); (3) be addressed to the Settlement Administrator; (4) be signed by the Settlement Class Member or their or his or her lawful representative; and (5) be postmarked no later than the Response Deadline (or the fifteen (15) day extension referenced below for eligible Settlement Class Members). No requests for exclusion shall be accepted if postmarked after the Response Deadline. Settlement Class Members whose Notices are returned as undeliverable and who are sent a re-mailed Settlement Notice shall be given an extension of fifteen (15) calendar days from the Response Deadline. Settlement Class Members are responsible for maintaining a photocopy of their request for exclusion, reflecting that it was submitted in a timely manner. Any disputes regarding the timeliness of a request for exclusion or whether a written communication constitutes a valid request that cannot be resolved between the

1 Parties shall be determined by the Court, whose determination shall be final.

2 62. Any Settlement Class Member who validly excludes himself/herself/themselves
3 from this Settlement shall not be bound by this Settlement Agreement, except as to the PAGA
4 Employees who shall release the Released PAGA Claims in their entirety and may not opt out of
5 or object to the PAGA Release; and any Settlement Class Member who validly excludes
6 himself/herself/themselves shall not be entitled to an Individual Settlement Payment.

7 63. If 10% or more Settlement Class Members timely opt out of the class settlement,
8 Defendants shall have the sole and absolute discretion to rescind/void the Settlement Agreement
9 within ten (10) calendar days after receiving from the Settlement Administrator the final list of opt-
10 outs. Defendants agree to meet and confer in good faith with Settlement Class Counsel before
11 rescinding or voiding the Settlement Agreement. In the event Defendants elect to rescind/void the
12 Settlement Agreement, Defendants shall provide written notice of such rescission to Settlement
13 Class Counsel. Such rescission shall have the same effect as a termination of the Settlement
14 Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall
15 become null and void and have no further force or effect. In the event Defendants rescind the
16 settlement, Defendants shall be solely responsible for any fees and costs incurred by the Settlement
17 Administrator.

18 **OBJECTIONS TO THE SETTLEMENT**

19 64. Each Settlement Class Member shall have until the Response Deadline to postmark
20 an objection, for return to the Settlement Administrator. Settlement Class Members whose Notices
21 are returned as undeliverable and who are sent a re-mailed Settlement Notice shall be given an
22 extension of fifteen (15) days from the Response Deadline. Any Settlement Class Member, who
23 does not affirmatively opt-out of the Settlement by submitting a valid and timely request for
24 exclusion, may object to the approval of class action settlement (“Objecting Class Member”). Any
25 Settlement Class Member who makes a timely request for exclusion has waived their right to object.
26 The Objecting Class Member shall inform the Settlement Administrator in writing and (1) state the
27 Objecting Class Member’s name, address, telephone number, and social security number or
28 employee identification number; (2) describe, in clear and concise terms, the legal and factual

arguments supporting the objection; (3) list identifying witness(es) the objector may call to testify at the Final Approval Hearing; (4) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing; (5) state whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; (6) be addressed to the Settlement Administrator; (7) be signed by the Objecting Class Member or their or his or her lawful representative; and (8) be postmarked no later than the Response Deadline (or the fifteen (15) day extension referenced above for eligible Settlement Class Members). Settlement Class Members shall have no right to object to the PAGA release or PAGA Payment.

65. Any Settlement Class Member who fails to timely submit an objection shall be foreclosed from making any objection to this Settlement or from filing an appeal of the Court's Final Order and Judgment unless otherwise ordered by the Court.

66. Counsel for the Parties shall file any response to the objections submitted by Objecting Class Members, if any, at least seven (7) calendar days before the date of the Final Approval Hearing.

67. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement or to appeal from the Court's Final Order and Judgment. Settlement Class Counsel shall not represent any Settlement Class Members with respect to any such objections to this Settlement.

**RELEASE OF CLAIMS BY NAMED PLAINTIFFS, PARTICIPATING CLASS
MEMBERS, AND PAGA EMPLOYEES**

68. The "Released Claims". "Released Claims" means and refers to the Released Class Claims and Released PAGA Claims, collectively as defined in this Paragraph 68:

a. Class Release: Upon the Effective Date occurring and Defendants fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, the Participating Class Members will fully release and discharge the Released Parties of the Released Class Claims:

i. "Released Class Claims" means and refers to all claims that were alleged in the Lawsuit, or that reasonably could have been alleged based upon the facts stated in the Lawsuit, including: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to

1 provide meal periods; (4) failure to provide rest breaks; (5) failure to reimburse business expenses;
2 (6) failure to timely pay final wages; (7) failure to provide accurate itemized wage statements (8)
3 Unfair and Unlawful Competition (Business and Professions Code § 17200 *et seq.*), and those
4 claims predicated on the same or similar facts and/or claims alleged in the Lawsuit, as well as any
5 claims that could have been pled under California common law, the federal law, and the California
6 Business and Professions Code alleged which arise from the same or similar facts pled in the
7 Lawsuit, and claims for interest, penalties (including but not limited to waiting time penalties), as
8 well as any claims under the California Labor Code for violations of Labor Code sections 200, 201,
9 202, 203, 204, 204.1, 208, 210, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 256,
10 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802; applicable IWC
11 Wage Orders; and California Code of Regulations, Title 8, sections 11000 *et seq.*, including claims
12 for injunctive relief, declaratory relief, restitution, which reasonably could have been alleged under
13 the facts, allegations and/or claims pleaded in the Lawsuit.

14 b. PAGA Release. Upon the Effective Date occurring and Defendants fully funding
15 the Gross Settlement Amount and separate amount of payroll taxes described herein, Named
16 Plaintiff – in her individual capacity and on behalf of the State of California and the LWDA and as
17 a proxy for the PAGA Employees – shall completely release and discharge the Released Parties of
18 the Released PAGA Claims:

19 i. “Released PAGA Claims” means and refers to all the PAGA claims alleged
20 in the Lawsuit, or that reasonably could have been based on the facts stated in the Lawsuit and in
21 the relevant PAGA Notice, including all PAGA claims seeking civil penalties premised upon: (1)
22 failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal
23 periods; (4) failure to provide rest breaks; (5) failure to reimburse business expenses; (6) failure to
24 timely pay final wages; (7) failure to provide accurate itemized wage statements (8) failure to pay
25 wages each period; and (9) all other claims for civil penalties recoverable under the Private
26 Attorneys General Act, Labor Code §§ 2698 *et seq.*), as well as any claims under the California
27 Labor Code for violations of Labor Code sections 200, 201, 202, 203, 204, 204.1, 208, 210, 218.6,
28 221, 222, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2,

1 1197, 1197.1, 1198, 1199, and 2802; applicable IWC Wage Orders; and California Code of
2 Regulations, Title 8, sections 11000 *et seq.* The time period governing the Released PAGA Claims
3 shall be the PAGA Period.

4 ii. PAGA Employees may not opt-out of the PAGA portion of the Settlement
5 and the Released PAGA Claims. Any Class Member who submits a timely and valid opt-out of
6 the Settlement will only be excluded from the class portion of the Settlement. Thus, if any person
7 who submits an opt-out also qualifies as a PAGA Employee, that person will still receive his/her
8 PAGA Employee Payment and will be bound by the Released PAGA Claims.

9 iii. To the extent the LWDA has released the Released PAGA Claims, PAGA
10 Employees may not pursue the Released PAGA Claims in another action. The PAGA Employees
11 are collaterally estopped from pursuing the Released PAGA Claims released and compromised by
12 the LWDA. After the Court grants final approval of the Settlement, Defendants will provide the
13 LWDA with a copy of the Judgment which will include a list of the PAGA Employees during the
14 PAGA Period.

15 69. Release of Named Plaintiff's Claims. In addition, as to the claims of Named
16 Plaintiff, the Released Claims further include, without limitation, any and all claims whatsoever
17 regarding Named Plaintiff's respective employment and/or the termination of employment
18 including, but not limited to, any claims for wages, bonuses, severance pay, vacation pay, penalties,
19 employment benefits, stock options, violation of any personnel policy, any claims based on
20 discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind
21 whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of
22 good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory
23 of retaliation, any legal restriction on any Defendants' right to terminate the employment
24 relationship, or any federal, state, or other governmental statute, executive order, regulation or
25 ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law.
26 Named Plaintiff shall be deemed to have, and by operation of the Judgment shall have, expressly
27 waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits
28 of Section 1542 of the California Civil Code, or any other similar provision under federal or state

1 law that purports to limit the scope of a general release. Named Plaintiff, for herself, has read
2 Section 1542 of the Civil Code of the State of California, which provides as follows:

3 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
4 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
5 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
6 **RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
7 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
8 **DEBTOR OR RELEASED PARTY.**

9 Named Plaintiff understands that Section 1542 gives the right not to release existing claims
10 of which she is not now aware, unless Named Plaintiff voluntarily chooses to waive this right.
11 Having been so apprised, Named Plaintiff nevertheless voluntarily waives the rights described in
12 Section 1542, and elect to assume all risks for claims that now exist in her favor, known or
13 unknown. The release of the claims of Named Plaintiff as set forth in this Paragraph is a condition
14 precedent to enforcement of the Settlement Agreement.

15 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL/CLASS CERTIFICATION**

16 70. For settlement purposes only, the Parties agree that the Settlement Class as defined
17 in Paragraph 27 above, and which will run through the Settlement Class Period, may be certified in
18 the Lawsuit. The Parties are not certifying any Released PAGA Claims. In support of this
19 Agreement, Named Plaintiff will request that the Court certify for settlement purposes the
20 Settlement Class as to all Released Class Claims that have been asserted, which Defendants shall
21 not oppose or object to.

22 71. Settlement Class Counsel shall submit this Stipulation of Settlement to the Court in
23 support of Named Plaintiff's Motion for Preliminary Approval and for determination by the Court
24 as to whether the proposed Settlement is within the range of possible judicial approval. Promptly
25 upon execution of this Stipulation of Settlement, Settlement Class Counsel shall apply to the Court
26 for the entry of an order substantially in the following form:

27 a. Scheduling of the Final Approval Hearing on the question of whether the
28 proposed Settlement, including payment of attorneys' fees and costs and the Enhancement Award

1 should be finally approved as fair, reasonable and adequate as to the Settlement Class Members
2 and for approval of the PAGA Settlement;

- 3 b. Certifying the Settlement Class;
- 4 c. Approving the Class Notice attached hereto as **Exhibit A**;
- 5 d. Directing the mailing of the Notice by first-class mail to the Settlement Class
6 Members and PAGA Employees; and
- 7 e. Preliminarily approving the Settlement subject only to the objections of the
8 Settlement Class Members and final review by the Court.

9 72. The Parties will work cooperatively to mutually agree upon the form and content of
10 the Notice, as well as the Proposed Order Granting Preliminary Approval.

11 73. Named Plaintiff and Settlement Class Counsel will not make any public disclosure
12 of the Settlement until after the filing of the motion for preliminary approval of the Settlement.
13 Named Plaintiff and her counsel represent that they have not made any such disclosure. Named
14 Plaintiff, Defendants, Defendants' Counsel and Settlement Class Counsel shall not encourage
15 members of the Settlement Class to opt-out. Settlement Class Counsel will take all steps necessary
16 to ensure that Named Plaintiff is aware of, and will encourage her to adhere to, the restriction
17 against any public disclosure of the Settlement until after the Settlement is preliminarily approved
18 by the Court. Thereafter, Settlement Class Counsel and Named Plaintiff agree not to publicize the
19 terms of this Settlement with the media, including but not limited to, any newspaper, journal,
20 magazine, website and/or online reporter of settlements or on any website.

21 **DUTIES OF THE PARTIES FOLLOWING FINAL APPROVAL**

22 74. Following final approval by the Court of the Settlement provided for in this
23 Stipulation of Settlement, Settlement Class Counsel shall submit a proposed Final Order and
24 Judgment in approximately the following form and with input from Defendants' Counsel:
25 Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and
26 directing consummation of its terms and provisions including the approval of Settlement Class
27 Counsel's application for an award of attorneys' fees and costs and the Enhancement Award. The
28 Parties will work cooperatively to mutually agree upon the form and content of the Proposed Order

1 Granting Final Approval of the Class Settlement and Approval of the PAGA Settlement and
2 Judgment.

3 **VOIDING OF AGREEMENT IF SETTLEMENT NOT FINALIZED**

4 75. If, after a reasonable number of attempts to satisfy the Court, the Court declines to
5 enter the preliminary approval order, the final approval order, or judgment in substantially the form
6 submitted by the Parties, and/or if the Stipulation of Settlement as agreed does not become final
7 because of appellate court action. The terminating Party shall give to the other Party (through
8 counsel) written notice of its decision to terminate no later than fourteen (14) calendar days after
9 receiving notice that one of the enumerated events has occurred. Termination shall have the
10 following effects:

11 76. If the Settlement Agreement is terminated, it shall have no force or effect, and no
12 Party shall be bound by any of its terms.

13 77. In the event the Settlement Agreement is terminated, Defendants shall have no
14 obligation to make any payments to any party, Settlement Class Member, PAGA Employee or
15 attorney. If there are any fees incurred by the Settlement Administrator and the settlement is
16 terminated by Defendants, Defendants shall solely be responsible for any costs and fees incurred
17 by the Settlement Administrator.

18 78. The preliminary approval order, final approval order and judgment shall be vacated.

19 79. The Stipulation of Settlement and all negotiations, statements and proceedings
20 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
21 restored to their respective positions prior to the Settlement.

22 80. Except as otherwise discoverable, neither this Settlement Agreement nor any
23 ancillary documents, actions, statements or filings in furtherance of settlement (including all
24 matters associated with the mediation) shall be admissible or offered into evidence in the Lawsuits
25 or any other action for any purpose whatsoever, except that Named Plaintiff may reveal information
26 that Defendants may have marked as confidential under the mediation privilege including the data,
27 documents, and sampling exchanged for mediation purposes for the purpose of presenting the Court
28 with information supporting the fairness, reasonableness or adequacy of the Settlement.

1 **PARTIES' AUTHORITY**

2 81. The signatories hereto hereby represent that they are fully authorized to enter into
3 this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

4 **MUTUAL FULL COOPERATION**

5 82. The Parties agree to fully cooperate with each other to accomplish the terms of this
6 Stipulation of Settlement, including, but not limited to, execution of such documents and taking of
7 such action as reasonably may be necessary to implement the terms of this Stipulation of
8 Settlement. The Parties to this Stipulation of Settlement shall use their best efforts, including all
9 efforts contemplated by this Stipulation of Settlement and any other efforts that may become
10 necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the
11 terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement,
12 Class Counsel shall take all necessary steps to secure the Court's final approval of this Stipulation
13 of Settlement.

14 83. The Parties and their respective counsel agree that they will not attempt to encourage
15 or discourage Settlement Class Members from filing requests for exclusion.

16 **NO PRIOR ASSIGNMENTS**

17 84. The Parties and their respective counsel represent, covenant and warrant that they
18 have not, directly or indirectly, assigned, transferred, encumbered or purported to assign, transfer
19 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
20 action or right herein released and discharged except as set forth herein.

21 **BREACH AND ENFORCEMENT ACTIONS**

22 85. The Parties will jointly request that the Court retain jurisdiction pursuant to
23 California Code of Civil Procedure § 664.6 to oversee and enforce the terms of this Settlement. In
24 the event of a breach of this Settlement, the nonbreaching Party shall provide notice to the breaching
25 party and request that the breaching party cure any alleged breach. If the breach is not cured within
26 thirty (30) days of said notice, the nonbreaching party may pursue legal action or other proceeding
27 against any other breaching party or parties to enforce the provisions of this Stipulation of
28 Settlement or to declare rights or obligations under this Stipulation of Settlement. In the event of

1 such enforcement actions, the successful party or parties shall be entitled to recover from the
2 unsuccessful party or parties reasonable attorneys' fees and costs, including expert witness fees
3 incurred in connection with any enforcement actions. All such disputes shall be resolved by the
4 Court.

5 NOTICES

6 86. Unless otherwise specifically provided herein, all notices, demands or other
7 communications given hereunder shall be in writing and shall be deemed to have been duly given
8 as of the third business day after mailing both electronically and by United States registered or
9 certified mail, return receipt requested, and addressed as follows:

10 To Named Plaintiff, the Settlement Class, and Settlement Class Counsel:

11 Brian J. Mankin
12 brian@lmlfirm.com
13 Misty M. Lauby
14 misty@lmlfirm.com
15 LAUBY, MANKIN & LAUBY LLP
16 5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444
Fax: (951) 320-1445

17 To Defendants and Defendants' Counsel:

18 Elizabeth Staggs Wilson
19 estaggs-wilson@littler.com
20 Jyoti Mittal
21 jmittal@littler.com
22 LITTLER MENDELSON, P.C.
23 633 West Fifth Street, 63rd Floor
Los Angeles, California 90071
Telephone: (213) 443-4300
Facsimile: (213) 443-4299

24 CONSTRUCTION

25 87. The Parties hereto agree that the terms and conditions of this Stipulation of
26 Settlement are the result of lengthy, intensive arms-length negotiations between the Parties, and
27 this Stipulation of Settlement shall not be construed in favor of or against any party by reason of
28 the extent to which any Party or their counsel participated in the drafting of this Stipulation of

1 Settlement.

2 **CAPTIONS AND INTERPRETATIONS**

3 88. Paragraph titles or captions contained herein are inserted as a matter of convenience
4 and for reference, and in no way define, limit, extend or describe the scope of this Stipulation of
5 Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and not
6 merely a recital.

7 **MODIFICATION**

8 89. This Stipulation of Settlement may not be changed, altered or modified, except in
9 writing and signed by the Parties hereto and approved by the Court. This Stipulation of Settlement
10 may not be discharged except by performance in accordance with its terms or by a writing signed
11 by the Parties hereto.

12 **INTEGRATION CLAUSE**

13 90. This Stipulation of Settlement, and the Exhibits attached hereto and incorporated
14 herein by reference, contain the entire agreement between the Parties relating to the settlement and
15 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
16 representations and statements, whether oral or written and whether by a Party or such Party's legal
17 counsel, are merged herein. No rights hereunder may be waived except in writing.

18 **BINDING ON ASSIGNS**

19 91. This Stipulation of Settlement shall be binding upon and inure to the benefit of the
20 Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

21 **PARTICIPATING CLASS MEMBER SIGNATORIES**

22 92. It is agreed that because the Settlement Class Members are so numerous, it is
23 impossible or impractical to have each member execute this Stipulation of Settlement. The Class
24 Notice, Exhibit "A" hereto, will advise the Settlement Class Members of the binding nature of the
25 release, and the release shall have the same force and effect as if this Stipulation of Settlement were
26 executed by each member.

27 **COUNTERPARTS**

28 93. This Stipulation of Settlement may be executed in counterparts and by facsimile

signatures, 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 Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS HEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release between Named Plaintiff and Defendants as of the date(s) set forth below:

DATED: Sep 3, 2025



Hollie Coleman (Sep 3, 2025 13:32:47 CDT)

Plaintiff, Hollie Coleman

DATED: _____

Defendant Flagstar Bank N.A.

By: _____ (name)
Its Chief Human Resources Officer

DATED: _____

Defendant New York Community Bancorp, Now Flagstar Financial, Inc.

By: _____ (name)
Its Chief Human Resources Officer

DATED: _____

Defendant Flagstar Bank, FSB, Now Flagstar Bank, N.A.

By: _____ (name)
Its Chief Human Resources Officer

APPROVED AS TO FORM AND CONTENT:

DATED: 9/3/2025

LAUBY, MANKIN & LAUBY LLP

By: 
Brian J. Mankin
Misty M. Lauby
Counsel for Plaintiff and the Putative Class

DATE: _____

LITTLER MENDELSON, P.C.

By: _____
Elizabeth Staggs-Wilson
Jyoti Mittal
Counsel for Defendants Flagstar Bank, New York Community Bancorp, Inc., and Flagstar Bank, FSB, erroneously named Desert Community Bank

signatures, 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 Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS HEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release between Named Plaintiff and Defendants as of the date(s) set forth below:

DATED: _____

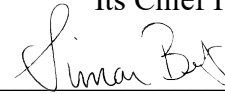
Plaintiff, Hollie Coleman

DATED: September 4, 2025



Defendant Flagstar Bank N.A.

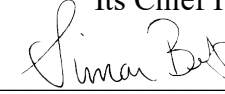
By: Simone Betz (name)
Its Chief Human Resources Officer



DATED: September 4, 2025

Defendant New York Community Bancorp, Now Flagstar Financial, Inc.

By: Simone Betz (name)
Its Chief Human Resources Officer



DATED: September 4, 2025

Defendant Flagstar Bank, FSB, Now Flagstar Bank, N.A.

By: Simone Betz (name)
Its Chief Human Resources Officer

APPROVED AS TO FORM AND CONTENT:

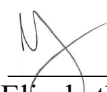
DATED: _____

LAUBY, MANKIN & LAUBY LLP

By: _____
Brian J. Mankin
Misty M. Lauby
Counsel for Plaintiff and the Putative Class

DATE: September 4, 2025

LITTLER MENDELSON, P.C.

By:  _____
Elizabeth Staggs-Wilson
Jyoti Mittal
Counsel for Defendants Flagstar Bank, New York Community Bancorp, Inc., and Flagstar Bank, FSB, erroneously named Desert Community Bank

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EXHIBIT A

(Draft Class Notice)

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

Coleman v. Flagstar Bank N.A., et al.
San Bernardino Superior Court, Case No. CIVSB2309384

A COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION BY A LAWYER. YOU ARE NOT BEING SUED.

IF YOU ARE OR WERE EMPLOYED BY FLAGSTAR BANK N.A., FLAGSTAR FINANCIAL, INC., NEW YORK COMMUNITY BANK CORP, INC., OR FLAGSTAR BANK, FSB AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME FROM APRIL 27, 2019, TO APRIL 19, 2025, THEN YOU ARE A CLASS MEMBER INCLUDED IN THIS CLASS ACTION SETTLEMENT AND YOUR RIGHTS MAY EFFECTED.

Why should you read this Notice?

You may be eligible to receive money as part of a proposed settlement (the “Settlement” or “proposed Settlement”) that has been reached in class and representative action entitled *Hollie Coleman v. Flagstar Bank N.A., et al.*, San Bernardino Superior Court, Case No. CIVSB2309384 (the “Lawsuit”) for alleged violations of the California Labor Code filed against Defendants Flagstar Bank N.A., Flagstar Bank, FSB, New York Community Bancorp, Inc., and Flagstar Financial, Inc. (“Defendants”). The purpose of this Notice of Class and Representative Action Settlement (“Class Notice”) is to briefly describe the Lawsuit and to inform you of your rights and options in connection with the Lawsuit and the proposed Settlement. The proposed Settlement will resolve all claims in the Lawsuit.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Settlement Payments to Class Members, and (2) a PAGA Settlement requiring Defendants to fund PAGA Employee Payments to PAGA Employees (defined as “all current and former nonexempt, employees employed by Defendants in California at any time in the PAGA Period of April 26, 2022, through April 19, 2025”) and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). Based on Defendants’ records, and the Parties’ current assumptions, your Individual Settlement Payment and PAGA Employee Payment are shown in the charts below, along with the applicable data points from which these estimates are derived.

<i>Calculations and Data Points for Estimated Payments</i>			
Weeks Worked during Class Period	INSERT	<i>Estimated</i> Individual Settlement Payment	\$INSERT
Pay Periods during PAGA Period	INSERT	<i>Estimated</i> PAGA Employee Payment	\$INSERT

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated as an estimated PAGA Employee Payment, then according to Defendants’ records you are not eligible for a PAGA Employee Payment under the Settlement because you didn’t work for Defendants in California during the PAGA Period.) If you believe that you worked more weeks or pay periods during the time periods than are shown in the chart above, you can submit a challenge by **DATE**, 2025 (“**Response Deadline**”). See **Section XX** of this Notice.

The Court has preliminarily approved the Settlement’s payment provisions and other terms and conditions described in this notice. The Honorable Christian Towns shall finally determine whether the Settlement is fair, adequate, and reasonable and whether a Final Approval Order and a Final Judgment should be entered during a Final Approval Hearing at **[FINAL APPROVAL HEARING DATE & TIME]** in Department S26 of the San Bernardino Superior Court, located at 247 West 3rd St, San Bernardino, California 92415. Because the date and time of the Final Approval Hearing may change without further notice, you should contact the Settlement Administrator or Class Counsel for further updates.

YOUR 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 also give up various rights to pursue a separate legal action against Defendants and any Released Parties based on any of the Released Claims.

Exclude Yourself from the Settlement	If you do not want to participate in the Settlement of the Class Claims, then you must submit a request for exclusion to exclude yourself from or “Opt-Out” of the Settlement, by writing to the Settlement Administrator by [RESPONSE DEADLINE]. If you choose to Opt-Out, then you will not receive an Individual Settlement Payments or any benefits under the Settlement nor will you release any Class Claims against Defendants. You cannot opt-out of the PAGA portion of the proposed Settlement. If you qualify as a PAGA Employee, however, then you will still receive a PAGA Employee Payment even if you choose to Opt-Out of the Settlement.
Object to the Settlement	If you wish to object to the Settlement, then you must write to the Settlement Administrator by [RESPONSE DEADLINE], about why you object to the Settlement. This option is available only if you do not Opt-Out of the Settlement.
Contest or dispute your Workweeks or Pay Periods	If you believe the number of workweeks or pay periods that you were credited with working in the chart above is incorrect, then you must write to the Settlement Administrator by [RESPONSE DEADLINE], about why you dispute the number and provide supporting documentation that you possess to support your dispute.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class of persons (the “Settlement Class”):

The Settlement Class. All current and former non-exempt, employees employed by Defendants Flagstar Bank N.A., Flagstar Bank, FSB, New York Community Bancorp, Inc., and Flagstar Financial, Inc. in California at any time from April 27, 2019, through April 19, 2025.

According to Defendants’ records, you are a Settlement Class Member (“Settlement Class Member”).

What is this Action about?

Plaintiff Hollie Coleman (“Plaintiff” or “Named Plaintiff”) filed the following lawsuit alleging the following claims:

The Coleman Class Action Lawsuit. Plaintiff, Hollie Coleman, individually, and on behalf of all others similarly situated, alleged that Defendants Flagstar Bank N.A. and Flagstar Financial, Inc.: (1) Failed to Pay Minimum Wages; (2) Failed to Pay Overtime Wages; (3) Failed to Provide Meal Periods; (4) Failed to Provide Rest Periods; (5) Failed to Reimburse Business Expenses; (6) Failed to Timely Pay Final Wages; (7) Failed to Provide Accurate Itemized Wage Statements; (8) Unfair and Unlawful Competition; and (9) Civil Penalties Pursuant to PAGA Labor Code section 2698 *et seq.*

Plaintiff believes this Settlement is in the best interests of all Settlement Class Members. Defendants deny all liability and are confident they have strong legal and factual defenses to these claims, but they recognize the risks, distractions, and costs associated with continued litigation. Defendants contend the conduct is and has been lawful at all relevant times and that Plaintiff’s claims do not have merit and do not meet the requirements for class certification. This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendants (the “Parties”). Considering the risks and expenses associated with continued litigation, the Parties agree this Settlement is fair, adequate, and reasonable.

The Court has not ruled on the merits of Plaintiff’s claims or Defendants’ defenses.

Who are the attorneys representing the Class?

The attorneys representing the Settlement Class in the Action (“Class Counsel”) are:

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

What are the Settlement payment terms?

Gross Settlement Amount. The “Gross Settlement Amount” of \$850,000.00 includes: (1) all payments to be made to Settlement Class Members; (2) all payments to be made to the Labor and Workforce Development Agency (“LWDA”); (3) all payments to be made to the PAGA Employees; (4) all attorneys’ fees; (5) all costs approved by the Court; (6) all fees to be paid to a settlement administrator, and (7) the Enhancement Award.

Net Settlement Amount. The “Net Settlement Amount” is currently estimated to be \$XXX,XXX.00. The Net Settlement Amount is subject to a final accounting and will be the amount remaining for disbursement to Participating Class Members after the following amounts are deducted from Gross Settlement Amount: (1) Settlement Class Counsel’s attorneys’ fees, not to exceed one-third (1/3) of the Gross Settlement Amount (to date, Class Counsel have invested over one hundred hours into the case and incurred expenses on the Lawsuit without payment); (2) Settlement Counsel costs/expenses, not to exceed \$25,000.00; (3) the \$10,000.00 Enhancement Award to the Named Plaintiff for litigating the Lawsuit, working with Class Counsel, and representing the Class; (4) Settlement Administration Costs estimated not to exceed \$XXXXX.00 to the Settlement Administrator; (5) the \$37,500.00 PAGA payment to the LWDA; and (6) the \$12,500.00 aggregate PAGA Employee Payments to PAGA Employees.

Individual Settlement Payments to Participating Class Members. The Settlement Administrator shall disburse Individual Settlement Payments from the estimated \$XXXXX.00 Net Settlement Amount to Settlement Class Members based on the workweek credits assigned to them. Individual Settlement Payments shall be characterized as twenty percent (20%) wages, subject to IRS Form W-2 reporting, and eighty percent (80%) non-wages, subject to IRS Form 1099 reporting. The Settlement Administrator shall deduct applicable local, state, and federal taxes from the wage portion of the Individual Settlement Payments only.

PAGA Employee Payments to PAGA Employees. If you are a member of the Settlement Class and you worked as an hourly non-exempt employee for Defendants in California at any time from April 26, 2022, to April 19, 2025, (the “PAGA Period”), then you may also be a PAGA Employee. The Settlement Administrator shall disburse Individual PAGA Employee Payments from the \$12,500.00 aggregate PAGA Employee Payments to PAGA Employees based on the pay period credits assigned to them. PAGA Employee Payments shall be characterized as 100% non-wages, subject to IRS Form 1099 reporting.

PAGA Employees Cannot Opt-out of the PAGA Component of the Settlement. If you are a PAGA Employee and the Settlement becomes final, then you will be entitled to a PAGA Employee Payment even if you choose to Opt-out of the Class component of the Settlement. This is because PAGA Employee Payments do not constitute consideration offered or exchanged for the release of any Settlement Class Members’ individual, private rights of action. In other words, PAGA Employees cannot opt-out of the PAGA component of the Settlement but they can still preserve their individual, private rights to sue Defendants for any of the Released Claims as long as they Opt-out the Class component of the Settlement on time.

Checks Void at 180 Days & Transfer to the Unclaimed Property Fund. Participating Class Members and PAGA Employees must cash or deposit their Individual Settlement Payment and PAGA Employee Payment checks within one hundred eighty (180) days from the date of issuance of the check. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable. If any checks remain uncashed or not deposited by the expiration of the ninety (90) day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Payment checks and PAGA Employee Payment checks returned as undeliverable and funds associated with those Individual Settlement Payment checks and PAGA Employee Payment checks remaining uncashed, shall be delivered to the State of California’s State Controller Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Settlement Class Member and PAGA Employee.

No Tax Advice. Parties and their attorneys make no representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning any tax consequences of payments to any Class Member.

How much money should you expect as an Individual Settlement Payment and PAGA Employee Payment?

Individual Settlement Payment Calculations. The Settlement Administrator shall determine Individual Settlement Payment amounts by dividing the Net Settlement Amount among the Qualified Class Members on a pro-rata basis, based upon the following allocation:

Workweek for Settlement Class Members. The Settlement Administrator shall provide each individual Qualified Settlement Class Member with a single workweek for every calendar week that the individual Settlement Class Member worked as Defendants’ employee in the state of California during the Settlement Class Period.

PAGA Employee Payments Calculations. The Settlement Administrator shall determine PAGA Employee Payments amounts by (1) taking the PAGA Employee’s respective pay period count, which shall be the sum of the total number of pay periods the PAGA Employee worked during the PAGA Period; (2) Dividing that by the combined sum of all PAGA Employees’ pay period counts; and (3) multiplying by \$12,500 (the total amount allocated to the employee portion).

Who are the Released Parties and what claims will be released by the proposed Settlement’s Released Claims?

The Effective Date of the Settlement. The “Effective Date” is after (1) the Court has held a formal fairness hearing and entered the Court’s Final Order and Judgment, and notice of entry of judgment is filed, and (2) the later of the following

events: five (5) calendar days after the period for filing any appeal, writ, or other appellate proceeding opposing the Final Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed, *i.e.*, 65 days from the date the Court grants final approval and enters judgment, and notice of entry of judgment is served; or, if any appeal, writ, or other appellate proceeding opposing final approval has been filed within that timeframe; five business days after any appeal, writ, or other appellate proceedings opposing the Settlement has finally and conclusively dismissed with no right to pursue further remedies or relief.

Participating Class Members' Release of Released Class Claims Against Released Parties. If the Effective Date occurs and Defendants remit the Gross Settlement Amount in full to the Settlement Administrator, then Plaintiff and each Participating Class Member shall be deemed to have fully, finally, and forever released the Released Parties of the Released Claims as follows:

The "Released Parties" means Defendants and any of their past, present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, including but not limited to Flagstar Bank N.A., Flagstar Financial, Inc., New York Community Bancorp, Inc., Flagstar Bank, FSB, and Desert Community Bank, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendants.

After the Judgment is final and Defendants have fully funded the Gross 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 Released Parties for claims based on the facts alleged in the Lawsuit for the duration of the Class Period, which are resolved by this Settlement.

The Participating Class Members will be bound by the following release of the "Released Class Claims," which means the claims alleged in the Lawsuit and set forth in the Operative Complaint, including, but not limited to: (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 reimburse business expenses; (6) failure to timely pay final wages; (7) failure to provide accurate itemized wage statements (8) Unfair and Unlawful Competition (Business and Professions Code § 17200 et seq.), and those claims predicated on the same or similar facts and/or claims alleged in the Lawsuit, as well as any claims that could have been pled under California common law, the federal law, and the California Business and Professions Code alleged which arise from the same or similar facts pled in the Lawsuit, and claims for interest, penalties (including but not limited to waiting time penalties), as well as any claims under the California Labor Code for violations of Labor Code sections 200, 201, 202, 203, 204, 204.1, 208, 210, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802; applicable IWC Wage Orders; and California Code of Regulations, Title 8, sections 11000 et seq., including claims for injunctive relief, declaratory relief, restitution, which reasonably could have been alleged under the facts, allegations and/or claims pleaded in the Lawsuit.

California's Release and PAGA Employees' Release of PAGA Claims Against Released Parties. If the Effective Date occurs and Defendants' remit the Gross Settlement Amount in full to the Settlement Administrator, then the State of California, by and through Plaintiff, its deputized PAGA representatives and all PAGA Employees, shall be deemed to have fully, finally, and forever released the Released Parties of the PAGA Claims as alleged in the Operative Complaint as follows: The "PAGA Claims" means any and all claims for violation of the California Private Attorneys General Act of 2004 (Labor Code § 2698 et seq.), as alleged in the Operative Complaint, which includes those alleged in the PAGA letter sent to the LWDA in LWDA Case No. LWDA-CM-951100-23 by Named Plaintiff that arose at any time during the PAGA Period, including, but not limited to all the PAGA claims alleged in the Lawsuit, or that reasonably could have been based on the facts stated in the Lawsuit and in the relevant PAGA Notice, 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 reimburse business expenses; (6) failure to timely pay final wages; (7) failure to provide accurate itemized wage statements (8) failure to pay wages each period; and (9) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq.), as well as any claims under the California Labor Code for violations of Labor Code sections 200, 201, 202, 203, 204, 204.1, 208, 210, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802; applicable IWC Wage Orders; and California Code of Regulations, Title 8, sections 11000 et seq. as well as any claims that could have been pled which arise from the same or similar facts concerning the Plaintiff or the PAGA Employees. The PAGA Employees will be issued a check for their share of the PAGA Payments and will not have the opportunity to opt out of, or object to, the Individual PAGA Payments and release of the PAGA Claims set forth in this Paragraph. The PAGA Employees are bound by the release of the PAGA Claims regardless of whether they cash or deposit their PAGA Employee Payment.

What are my options in this matter?

Settlement Class Members' Four Options and Communications with the Settlement Administrator & Class Counsel. You have four (4) options under this Settlement. You may: (1) do nothing and remain in the Settlement Class and receive

an Individual Settlement Payment; (2) submit a request for exclusion to exclude yourself from or “Opt-Out” of the Settlement; (3) object to the Settlement; and (4) contest or dispute your workweeks or PAGA Employee Payment. All Opt-Out Requests, Objections and Workweek/PAGA Employee Payment Disputes must be submitted to the Settlement Administrator at: Settlement Administrator for *Coleman v. Flagstar Bank N.A., et al.*, P.O. Box 7208, Orange, CA 92863, Fax: (949) 209-2503 by United States Mail, facsimile and/or in other written form by no later than [RESPONSE DEADLINE DATE]. The Settlement Administrator is authorized to communicate with you if you exercise any of these options under this Settlement. Additionally, unless you clearly state that you do not wish to be contacted by Class Counsel, Class Counsel may contact you to resolve any uncertainties about the validity of any Opt-Out Requests, Objections or Workweek/PAGA Employee Payment Disputes you submit.

OPTION 1. (Do Nothing to Participating in the Settlement). If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment under the proposed Settlement, then **you do not need to take any action and you do not need to submit a claim form.** If you do nothing (for example, if you do not submit timely and valid Opt-Out Request), then you will remain in the Settlement Class, Class Counsel will represent you for the purposes of this Settlement at no direct cost and you will be deemed to have consented to release the Released Claims described above.

OPTION 2. (Submit a Request for Exclusion to Request to Exclude Yourself from or “Opt-Out” of the Settlement). If you do not want to be part of the proposed Settlement, then you must submit a timely and valid written request for exclusion or Opt-Out Request to the Settlement Administrator by [RESPONSE DEADLINE DATE] in the following manner: (1) your written request for exclusion must state your full name, address, telephone number, and social security number or employee identification number; (2) your written request for exclusion must state your intention to exclude yourself from or desire to opt-out of the Settlement (e.g. “I want to exclude myself from this settlement. I also understand that I retain all rights to sue the Defendants for the claims asserted in this lawsuit.”); (3) your written request for exclusion must be addressed to the Settlement Administrator; (4) your written request for exclusion must be signed by you or your lawful representative; and (5) your written request for exclusion must be postmarked no later than forty-five (45) calendar days from the mailing of the Class Notice.

If you submit a timely and valid written Opt-Out Request, then you will have no further role in the Action, you will not be entitled to any benefit (except for being entitled to an PAGA Employee Payment, if you qualify) under the proposed Settlement and you may not be entitled or permitted to assert or raise an objection to the Settlement.

If you do not submit an Opt-Out Request in the manner described above in time, then the Court may determine that you have not opted out, you may be deemed a Qualified Class Member and you may be bound by the release of Released Claims as described above and all other terms of the Settlement. Subject to review by Class Counsel, Defendants’ Counsel and the Court, the Settlement Administrator shall determine whether an Opt-Out Request is in writing and whether the writing lacks any of the five (5) enumerated characteristics stated above, which may render the request null and void.

OPTION 3. (Object to the Settlement). If you wish to object to the settlement, then you may object to it by submitting a timely and written Objection to the Settlement Administrator by [RESPONSE DEADLINE DATE] in the following manner: (1) your objection must state your full name, address, telephone number, and social security number or employee identification number; (2) your objection must describe, in clear and concise terms, the legal and factual arguments supporting your objection; (3) your objection must include a list identifying witness(es) you may call to testify at the Final Approval Hearing; (4) your objection must include true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing; (5) your objection must include your statement about whether your objection applies only to you, to a specific subset of the Settlement Class, or to the entirety of the Settlement Class; (6) your written objection must be addressed to the Settlement Administrator; (7) your written objection must be signed by you or your lawful representative; and (8) your objection must be postmarked no later than the Response Deadline. Class Counsel shall not represent you or assist you in objecting to the Settlement. However, you may hire an attorney at your own expense to represent you in your objection.

If Court finally approves the Settlement despite any objections, then you may and will likely be bound by the terms of the Settlement including the release of Released Claims as set forth above.

If you do not submit an objection in the manner described above in time, then the Court may determine that you have waived any objections and may not allow you to make any objection (whether by appeal or otherwise) to the proposed Settlement. Subject to review by Class Counsel, Defendants’ Counsel and the Court, the Settlement Administrator shall determine whether an objection is in writing and whether the writing lacks any of the eight (8) enumerated characteristics stated above, which may render the objection null and void.

OPTION 4. (Contest or Dispute Your Workweeks and/or Pay Period). If you dispute the workweeks used to calculate your Individual Settlement Payment or pay periods for your PAGA Employee Payment, it is your responsibility to supply documentation supporting your position. If you choose to dispute these calculations, you must send a written dispute, along with any evidence you have to support your calculation of pay periods worked, to the Settlement Administrator at the following address: Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863.

In order to be timely, any dispute must be postmarked to the Settlement Administrator on or before [REDACTED], 2025. If you timely dispute the above, the dispute shall be submitted to the Settlement Administrator, who shall examine the

records and either verify the calculation or provide a corrected calculation. The Settlement Administrator will make every effort to resolve any such disputes prior to final approval of this Settlement Agreement. The Settlement Administrator's determination of disputes will be final.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing [FINAL APPROVAL HEARING DATE & TIME] in Department S26 of the San Bernardino Superior Court, located at 247 West 3rd St, San Bernardino, California 92415 regarding the fairness, reasonableness and adequacy of the proposed Settlement. The Final Approval Hearing may be rescheduled without further notice to Class Members. **You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.**

If the Court grants final approval of the Settlement, then notice of the Final Judgment will be mailed to all Settlement Class Members when checks are mailed or included with your check.

How can I get additional information?

This Class Notice summarizes the Action and the basic terms of the Settlement. More details are in the Stipulation of Class and Representative Action Settlement, which, along with other records in the Action, may be available for inspection and/or copying during regular business hours at the Court Clerk's Office or by visiting the Court's Case Information and Document Sales webpage at: <https://sanbernardino.courts.ca.gov/divisions/civil/court-case-information-and-document-sales>. Please visit the Court's website for more information about accessing case related documents. You may also request a copy of the Settlement Agreement from Class Counsel, or contact Class Counsel with any questions, at the addresses and telephone numbers listed above.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

[FURTHER WITHHOLDINGS NOTICE]

The Settlement Administrator has identified you as a Settlement Class Member but has been unable to verify your social security number or tax identification number. If you do not complete the IRS Form W-9 enclosed with this Notice and return it to the Settlement Administrator, the Settlement Administrator may deduct additional withholdings from your Individual Settlement Payment. If you have any questions or concerns about completing and returning the enclosed IRS Form W-9, you may contact the Settlement Administrator to discuss other available options to verify your social security number or tax identification number.

[NEXT PAGE – IRS FORM W-9]

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EXHIBIT B

(Information Security Agreement)

Information Security Agreement

This Information Security Agreement (this “Agreement”) is entered into as of [August 27], 20[25] (the “Effective Date”) by and between Flagstar Bank, N.A., a national bank, having its principal place of business at 102 Duffy Avenue, Hicksville, NY, 11801 (“Flagstar”), and [COMPANY], with offices at [] (“Company”). Flagstar and Company are referred to herein collectively as the “Parties” or individually as a “Party.”

1411 N Batavia St, Suite 105
Orange, CA 92863

WHEREAS, Company has agreed to provide services as the settlement administrator pursuant to the settlement agreement reached between the parties in the matter *Hollie Coleman v. Flagstar Bank N.A., et al.*, No. CIVSB2309384, and approved by the Court on N/A, 2025 (the “Settlement Agreement”);

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Definitions.** As used in this Agreement, unless otherwise specified: (a) all references to “include,” “includes,” or “including” shall be deemed to be followed by the words “without limitation”; (b) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (c) references to this Agreement or another agreement, instrument or other document means such agreement, instrument or other document as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof or thereof, as applicable; (d) all references to days, months or years shall be deemed to be preceded by the word “calendar”; (f) all references to an article, section, subsection or exhibit shall be deemed to refer to, respectively, an article, section, subsection or exhibit of or to this Agreement; (g) “or” means “and/or”; and (h) words used in the singular include the plural and words in the plural include the singular.

“**Affiliate**” means with respect to either Party, any other Person directly or indirectly Controlling, Controlled by, or under common Control with that Party.

“**Applicable Requirements**” means: (a) all written contractual obligations of a Party, including those written contractual obligations contained herein for which a Party by virtue of this Agreement, is responsible or at any time was or hereafter will be responsible; (b) all applicable federal, state and local legal and regulatory requirements, including statutes, rules, regulations and ordinances, that are binding upon a Party or any of its Affiliates or otherwise applicable with respect to the Services; (c) all other applicable requirements and guidelines of each governmental agency, board, commission, instrumentality and other governmental body or officer having jurisdiction; (d) all other applicable judicial and administrative judgments, orders, stipulations, awards, writs and injunctions; and (e) prudent business standards related to the Services. “**Applicable Laws**” means all Applicable Requirements set forth in clauses (b) through (d) of the definition thereof.

“**Control**”, “**Controlling**,” or “**Controlled**” means, when used with respect to a specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“**Customer**” means any individual that obtains a financial product or service from Flagstar and/or any of its Affiliates, or maintains a continuing relationship with Flagstar or any of its Affiliates, including any individual who (a) applies to Flagstar or any of its Affiliates for a financial product or service; (b) has obtained any financial product or service from Flagstar or any of its Affiliates; (c) has a loan or other account serviced or subserved by Flagstar or any of its Affiliates; and/or (d) does not have an account with Flagstar or any of its Affiliates but nonetheless engages in a transaction using property or services of Flagstar or any of its Affiliates, such as use of a Flagstar ATM by a person that is not otherwise a Customer under clauses (a) through (c).

“**Customer Information**” means any personally identifiable information (PII), records or data in any form (written, electronic, biometric or otherwise) relating to a Customer, including (a) a Customer’s name, address, telephone number, social security number, driver’s license number, passport number, loan number, account number, loan payment history, delinquency status, insurance carrier or payment information, or tax amount or payment information; (b) any information, regardless of how it is captured, converted, stored, or shared, that is based on a Customer’s biometric identifiers, which include the Person’s fingerprint, retina or iris scan, scan of hand, face-geometry, or voiceprint (“**Customer Biometric Information**”); and (c) the fact that a Customer has a relationship with Flagstar or any of its Affiliates; provided, however, that notwithstanding the foregoing, “Customer Information” shall not include any such information that Company has obtained independently and not in connection with this Agreement or any other agreement with Flagstar or any of its Affiliates or in reference to any information, records or data processed under this Agreement. Customer Information also includes any information, records or data described in Section 3.

“**Flagstar Representative**” means the respective directors, officers, employees, partners, members, agents, subcontractors and contractors of Flagstar or its Affiliates, provided, however, that for purposes of the interpretation of this Agreement, in no event shall Company or any employee of Company be deemed to be a “Representative” of Flagstar or any of its Affiliates.

“Flagstar Representative Information” means any Representative Information (as defined below) belonging, concerning, or relating to a Representative of Flagstar.

“Interagency Guidelines” means the Interagency Guidelines Establishing Standards For Safeguarding Customer Information published on February 1, 2001, as the same may be amended from time to time.

“Person” means a natural person or any legal, commercial, or governmental entity (including any Regulator), including a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, unincorporated association, savings bank, commercial bank, other depository financial institution, group acting in concert, or any Person acting in a representative capacity.

“Privacy and Data Security Requirements” means the obligations imposed by: (a) Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq.; (b) the applicable federal regulations implementing such act; (c) the Interagency Guidelines; and (d) all other applicable international, federal, state and local laws, rules, regulations, and orders relating to the privacy and security of Customer Information and/or Representative Information, including the federal Fair Credit Reporting Act, 15 U.S.C. §§ 1681 et seq., the Illinois Biometric Information Privacy Act, 740 ILCS 14/1 et seq. and other state laws regulating the collection of biometric information, and the California Consumer Privacy Act, Cal. Civ. Code 1798.100 et seq. and similar state laws; (e) Payment Card Industry (PCI) Data Security Standards; and (f) all applicable policies and procedures of Flagstar communicated to Company.

“Representatives” means a Party’s Affiliates and such Party’s and its Affiliates’ respective directors, officers, employees, partners, members, agents, subcontractors and contractors, provided, however, that as between the Parties for purposes of the interpretation of this Agreement, in no event shall Company or a Representative of Company or any of its Affiliates be deemed to be a “Representative” of Flagstar or any of its Affiliates.

“Regulator” means a federal, state or local governmental authority, or a non-governmental entity, that is charged with monitoring or overseeing the business practices or other activities of either of the respective Parties or any of their Affiliates, including, as applicable, the Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation or any other bodies or successors thereto that regulate banks, consumer finance companies, mortgage companies and/or other financial service providers, and any self-regulatory organization.

“Representative Information” means any personally identifiable information, records or data in any form (written, electronic, biometric, or otherwise) relating to a Representative, including (a) a Representative’s name, address, telephone number, social security number, driver’s license number, state identification number, passport number, account number, or payment information; and (b) any information, regardless of how it is captured, converted, stored, or shared, that is based on a Representative’s biometric identifiers, which include the Person’s fingerprint, retina or iris scan, scan of hand, face-geometry, or voiceprint (**“Representative Biometric Information”**); provided, however, that notwithstanding the foregoing, “Representative Information” shall not include any such information that Company has obtained independently and not in connection with this Agreement or any other agreement with Flagstar or any of its Affiliates or in reference to any information, records or data processed under this Agreement. Representative Information also includes any information, records or data described in Section 3.

“Restricted Data and Information” means all Personally Identifiable Information (including all Customer Information and Flagstar Representative Information) and financial and transactional data, information, and images, whether in personally identifiable or anonymized form, that (a) Flagstar has collected, compiled, entered, or stored, or have caused to be collected, compiled, entered, or stored, in or in connection with the Services or Company’s Computer Systems; (b) Flagstar submits to Company for Company’s use, processing, collection, storage, or otherwise; (c) Company accesses or obtains, or has the ability to access or obtain, from Flagstar’s Computer Systems; or (d) Company receives from another entity or other Person on Flagstar’s behalf in connection with Company providing the Services to Flagstar. For the avoidance of doubt, “Restricted Data and Information” includes any products, services, uses, or works that Company can derive, on its own or through another entity or other Person, from other Restricted Data and Information.

“Services” means the services that Company is obligated to provide or perform as settlement administrator pursuant to the terms of the Settlement Agreement. If any services, functions or responsibilities not specifically described in the Settlement Agreement are required for the proper performance and provision of the Services, they will be deemed to be implied by and included within the scope of the Services to the same extent and in the same manner as if specifically described in the Settlement Agreement.

2. Confidentiality.

2.1 Confidential Information. **“Confidential Information”** means any and all nonpublic, confidential or proprietary information of Flagstar or its Affiliates, which includes all of the following, in any form: (a) software, intellectual property, agreements, notes, memorandum, policies, and any other information which relates to Flagstar’s data processing, research and development, trade secrets or business affairs; (b) Customer lists and other Customer Information, Flagstar Representative Information, Restricted Data and Information and Flagstar Data; and (c) any summaries or compilations of any of the foregoing. For purposes of this Agreement, Confidential Information shall also include any information that a reasonable business person would understand not to be publicly

available that is discussed or exchanged between Flagstar and Company or any of their respective Representatives. Confidential Information shall not include information that the Receiving Party, as defined below, can demonstrate: (i) (other than with respect to Customer Information) is or became generally available to the public (other than as a result of any breach of this Agreement by the Receiving Party or its Representatives); (ii) is wholly and independently developed by the Receiving Party or its Representatives without the use of or reference to the Disclosing Party's Confidential Information; (iii) becomes lawfully available to the Receiving Party or its Representatives from a source other than the Disclosing Party and its Representatives, without restriction, and without the use of or reference to the Disclosing Party's Confidential Information; or (iv) was known on a lawful, non-confidential basis by the Receiving Party or its Representatives prior to disclosure hereunder.

2.2 Non-Disclosure of Confidential Information. The Company (the "**Receiving Party**") acknowledges that it may receive or have access to Confidential Information belonging to Flagstar (the "**Disclosing Party**"). The Company represents and warrants that it will restrict access to Flagstar's Confidential Information solely to its Representatives who require access to such information in order to fulfill its obligations pursuant to the Settlement Agreement and shall prohibit its Representatives from using the Confidential Information for any purpose other than as required pursuant to the Settlement Agreement. The Company agrees that it shall inform their respective Representatives of this prohibition on disclosure of Confidential Information, shall have such Representatives agree to be bound to the restrictions on disclosure set forth herein, and shall be liable for any unauthorized disclosure of Confidential Information by such Representatives. Neither the Company or its Representatives shall disseminate or further copy, duplicate or otherwise communicate any Confidential Information to any third Party whatsoever. Upon Flagstar's request at any time during or after termination of this Agreement or expiration of the Term, Company will promptly return, Sanitize or Destroy (as defined in Section 2.5), as Flagstar may direct, all material in any medium that contains, refers to, or relates to Flagstar's Confidential Information, and retain no copies. Notwithstanding Company's return of Flagstar's Confidential Information in accordance with this paragraph, all duties and obligations of Company under this Section 2 with respect to Confidential Information will remain in full force and effect. All electronic transfers of Flagstar's Confidential Information to a third-party must be effected via secure mechanisms, preferably via dedicated physical point-to-point circuits or site-to-site virtual private networks. If neither such mechanism is possible, Secure File Transfer Protocol ("**SFTP**") or File Transfer Protocol Secure ("**FTPS**") must be utilized, and all Confidential Information transferred via either of these protocols shall be deleted from the destination repository within 24 hours from the time of transfer.

2.3 Required Disclosure. Notwithstanding any other provision of this Agreement, the Company may disclose Confidential Information only pursuant to a court order or valid subpoena issued by a court of competent jurisdiction. Promptly upon receiving or becoming aware of such order or subpoena and, in any case, prior to making any such disclosure, the Company shall provide Flagstar with (a) prompt written notice of such requirement so that Flagstar may seek a protective order or other remedy; and (b) reasonable assistance in opposing such disclosure or seeking a protective order or other limitations on disclosure. If notwithstanding such efforts to seek a protective order or other remedy or limitations on disclosure, the Company is required to disclose any Confidential Information, the Company (or its Representatives) shall disclose no more than that portion of the Confidential Information which, on the advice of the its legal counsel, it is required to disclose and shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment.

2.4 Relief. The Parties acknowledge that a breach of the confidentiality provisions of this Agreement may result in serious and irreparable harm to Flagstar for which there is no adequate remedy at law. In the event of such a breach, Flagstar shall be entitled to seek any temporary or permanent injunctive or other equitable relief in addition to any monetary damages.

2.5 Disposal of Confidential Information. Company is responsible for ensuring that all Restricted Data and Information in Company's possession that contains or could possibly contain Flagstar's or any of its Affiliate's data and that is classified by Flagstar or any such Affiliate as sensitive or critical (collectively, "**Flagstar Data**") is returned to Flagstar, Sanitized or Destroyed, as Flagstar may direct, in a secure manner to ensure (if and as applicable) complete Sanitization or Destruction of such data beyond any reasonable expectation of recovery. If the classification of any data is unclear or in dispute, such data must be treated as though it is Flagstar Data for such purposes. Upon request, Flagstar will specify the classification of any Restricted Data and Information that Company has in its possession under this Agreement. Company will return to Flagstar, Sanitize or Destroy any Flagstar Data in its possession, as Flagstar may direct, upon the earlier to occur of (a) thirty (30) days following the termination this Agreement or expiration of the Term or (b) the date on which such Flagstar Data ceases to be necessary for purposes of providing the Services, including in accordance with **EXHIBIT A** attached hereto. For the avoidance of doubt, this Section 2.5 applies to both removable media and non-removable media such as system hard drives, storage arrays, or flash memory. As used herein, "**Sanitization**" means either (i) the physical erasure and rewriting of all areas of storage in such a manner that the data or item contents cannot be recovered through any reasonable means; or (ii) the physical destruction of the component. "**Destruction**" means physical destruction in such a manner that the data or item can never be recovered or reused. Upon request, Company shall provide a certificate of Sanitization for each Sanitized item specifying the Sanitization method that was used and listing the number and type of devices (individually if possible) that were Destroyed. If any such Flagstar Data is in paper form, Company shall ensure that such paper records are Sanitized or Destroyed in a secure manner and rendered unreadable or shall return, Sanitize or Destroy such paper records as otherwise directed by Flagstar. Company hereby agrees that Flagstar

may audit and examine the facilities and records of Company during Company's normal business hours for the specific purpose of verifying Company's compliance with this Section and the certification provided by Company to Flagstar.

3. Data Privacy.

3.1 Privacy Re: Customer Information and Flagstar Representative Information. Without in any way limiting the definition in Section 2, "**Customer Information**" shall include all information accessed by or supplied to Company or its Representatives of or relating to any Customer that identifies a Customer or allows a Customer's identity to be ascertained (either from such information alone or in combination with other information); and "**Flagstar Representative Information**" shall include all information accessed by or supplied to Company or its Representatives of or relating to any Flagstar Representative that identifies a Flagstar Representative or allows a Flagstar Representative's identity to be ascertained (either from such information alone or in combination with other information). Company acknowledges that the privacy and security of Customer Information and Flagstar Representative Information may be regulated by various federal and state laws and regulations. Company agrees that: (a) it shall comply with any Applicable Laws regarding the privacy and security of Customer Information and Flagstar Representative Information, including all Privacy and Data Security Requirements; (b) it shall not use Customer Information or Flagstar Representative Information except as necessary to fulfill its obligations under this Agreement; (c) it shall not disclose Customer Information or Flagstar Representative Information to third parties except at the specific written direction of Flagstar; (d) it shall maintain adequate physical, technical, and administrative safeguards designed to ensure the security and confidentiality of Customer Information and Flagstar Representative Information, protect against threats or hazards to the security or integrity of Customer Information, and protect against unauthorized access to Customer Information and Flagstar Representative Information; and (e) it shall immediately notify Flagstar of any actual or suspected breach of the confidentiality of Customer Information or Flagstar Representative Information. Further, Company agrees that to the extent Company is required to collect Customer Biometric Information or Representative Biometric Information (whether from a Flagstar Representative or Company Representative) in order to perform the Services under this Agreement, Company (i) shall, prior to such collection, notify the Customer or Representative in writing of the collection of such Biometric Information, the purpose for the Biometric Information is being collected, the length of time the Biometric Information will be stored by the Company, and the timing and procedures by which the Company will securely and permanently destroy the Biometric Information, (ii) shall obtain the Customer's or Representative's written consent prior to such collection; and (iii) shall not share the Customer Biometric Information or Representative Biometric Information with any third-parties unless otherwise disclosed in writing and signed by the Customer or Representative in advance; and (iv) shall securely and permanently destroy any Customer Biometric Information and Representative Biometric Information in accordance with the provisions of Section 2.5. Company acknowledges that Flagstar may exercise reasonable monitoring, upon reasonable notice to Company and without disruption of Company's normal business operations, to confirm that Company has implemented an effective information security program to protect Customer Information and Flagstar Representative Information. Company agrees that it shall indemnify, defend, and hold Flagstar harmless from and against any loss claim, or liability arising from or relating to any breach or violation by Company of this Section 3.1 or any such breach or violation otherwise attributable to any of Company's Representatives.

3.2 Gramm Leach Bliley and FFIEC Compliance. Company represents, warrants and covenants that it has implemented and is and shall maintain and remain (throughout the Term) in compliance with a comprehensive written information security program that includes administrative, technical and physical safeguards appropriate to the size and complexity and the nature and scope of the Services provided to Flagstar under this Agreement, inclusive of the data security requirements set forth in **EXHIBIT A** attached hereto. Company represents that its information security program is designed to ensure the security and confidentiality of all Restricted Data and Information (including Flagstar Data) and Flagstar's Confidential Information and Customer Information, in any form or medium, protect against any anticipated threats or hazards to the security or integrity of such information, and protect against unauthorized access or use of such information that could result in substantial harm or inconvenience to Flagstar or any of its Customers. In recognition of Flagstar's responsibilities under federal laws, as may now or hereafter be enacted, including, but not limited to the Privacy and Data Security Requirements, Company represents, warrants and covenants that it has implemented and will maintain and provide to Flagstar and/or its Customers, as applicable (throughout the term of this Agreement): (a) access controls on its information systems, including controls to authenticate and permit access only to authorized individuals and controls to prevent employees from providing any such information to unauthorized individuals who may seek to obtain such information through fraudulent means; (b) access restrictions at physical locations containing any such information, such as buildings, computer facilities, and records storage facilities to permit access only to authorized individuals; (c) encryption of any such information in electronic form, including while in transit or in storage on networks or systems using a minimum of Advanced Encryption Standard ("**AES**") with 256 bit key length; (d) procedures designed to ensure that system modifications are consistent with Flagstar's information security program if and as provided by Flagstar; (e) dual control procedures, segregation of duties, and employee background checks for employees with responsibilities for or access to such information; (f) monitoring systems and procedures to detect actual and attempted attacks on or intrusions into Flagstar information systems; (g) response programs that specify actions to be taken when Company, Flagstar or a Customer suspects or detects that unauthorized individuals have gained access to Flagstar information systems, including appropriate reports to regulatory and law enforcement agencies; (h) periodic reports on the overall status of Company's information security program and its compliance with

such program and the requirements of this Section 3.2 and addressing any material matters relating to such program, including risk assessment, risk management, control decisions, results of testing, security events or violations and Company's responses thereto and any recommendations for changes to such program; (i) measures to protect against destruction, loss, or damage of such information due to potential environmental hazards, such as fire and water damage or technological failures; and (j) ensure any access by Company's employees and users of Company systems and/or Flagstar's Confidential Information will be through the use of a multi-factor authentication mechanism. Company acknowledges and agrees that Flagstar, as prescribed in the Privacy and Data Security Requirements, may reasonably monitor Company to confirm that it has satisfied the obligations as required above. As part of this monitoring, Flagstar may (i) review audits, summaries of test results, Company Reports or other reports, certifications or evaluations of or relating to Company's services and practices, any changes in such services or practices or any related security failures or insecure practices, and (ii) periodically assess Company based on the risk it presents and the continued adequacy of its administrative, technical and physical safeguards. Company shall act in a commercially reasonable manner to correct any deficiencies mutually identified and to bring itself promptly into compliance with its obligations under this Section. Additionally, Company will afford Flagstar with access to Company's facilities, equipment, systems, procedures, and personnel and will otherwise cooperate with Flagstar to ensure that Company and Flagstar are in compliance with their respective obligations under the Privacy and Data Security Requirements.

3.3 Intentionally omitted.

3.4 Compliance with State Privacy Laws.

(i) Capitalized terms used in this section and not otherwise defined in this Agreement shall have the same meaning as those terms are defined under the California Consumer Privacy Act, Cal. Civ. Code 1798.100 *et seq.* and any other state privacy law, in each case, applicable regulations promulgated thereunder, as amended from time to time (collectively, "**State Privacy Laws**"). For purposes of this Section 14, (a) all references to compliance with State Privacy Laws (or any aspect thereof or obligations thereunder) shall be construed to require compliance with the strictest applicable State Privacy Law(s), (b) all references to any action or purpose of Company permitted under State Privacy Laws shall be construed to permit such action or purpose only to the extent permitted under the strictest applicable State Privacy Law(s) and (c) all references to any right of any Consumer, Flagstar Customer or Flagstar Representative (or to the exercise of any such rights) shall be construed to include all rights under applicable State Privacy Laws. Any conflicts or inconsistencies between this Section and the Agreement shall be interpreted in favor of this Section. In addition, solely for purposes of this Section, the following term shall have the following meaning:

"Personal Information" and **"Personal Data"** shall each have the relevant definition and meaning of "personal information" or "personal data" (as applicable) set forth in each applicable State Privacy Law, and, for the avoidance of doubt, shall include any Personal Information and Personal Data relating to a Flagstar Customer or Consumer as well as any Personal Information and Personal Data relating to any Flagstar Representative.

(ii) Scope of Permissible Collection and Use of Personal Information. Company acknowledges, agrees, and certifies that it has and will comply with the obligations under State Privacy Laws as a Service Provider, consistent with Flagstar's privacy and security obligations. During and after the Term, Company acknowledges, agrees, and certifies that it shall collect and/or process and use Personal Information and/or Personal Data that it receives from Flagstar or directly from a Flagstar Customer, Consumer, or Flagstar Representative on Flagstar's behalf only to carry out the business purposes or commercial purposes for which such Personal Information or Personal Data was disclosed to Company, as specifically set forth in or clearly implied by the applicable Statement(s) of Work incorporating this Agreement and consistent with the reasonable expectations of Flagstar and the relevant Flagstar Customer, Consumer or Flagstar Representative, as applicable, based on the existing relationship and the terms of such Statement(s) of Work.

(iii) Restrictions on Retention, Use, and Disclosure of Personal Information. Company acknowledges, agrees, and certifies that it shall not:

(1) sell or share the Personal Information or Personal Data;

(2) retain, use, or disclose such Personal Information for any purpose other than for the specific purpose of performing the Services, or as otherwise permitted under State Privacy Laws, including retaining, using, or disclosing the Personal Information for a commercial purpose or business purpose other than providing the Services or as specified in this Agreement or applicable Statement(s) of Work incorporating this Agreement or in any manner that is inconsistent with the reasonable expectations of Flagstar or any Flagstar Customer, Consumer or Flagstar Representative, as applicable;

(3) retain, use, or disclose the Personal Information outside of the direct business relationship between the Company and Flagstar; provided, however, that Company may retain, use, or disclose such Personal Information

(a) to the extent necessary to retain and employ a Subcontractor, provided such Subcontractor meets the requirements for a Service Provider under State Privacy Laws and employs reasonable security measures no less restrictive than Company implements for Flagstar relating to the Services; (b) for Company's internal business purposes to build or improve its Services provided to Flagstar, provided such use does not involve Company performing services on behalf of another person or different business; (c) to the extent necessary to prevent, detect, or investigate data security incidents, or protect against malicious, deceptive, fraudulent or illegal activity, but may not otherwise use Personal Information except as provided in this Agreement; or (d) unless otherwise expressly permitted by State Privacy Laws; or

(4) combine the Personal Information obtained or received by Company pursuant to this Agreement with any other Personal Information Company obtains or receives from or on behalf of another person or persons, or collects from its own interaction with Flagstar Customers, Flagstar Representatives, or Consumers, unless such combination of data is expressly permitted by State Privacy Laws. Company certifies that it understands the restrictions set out in this Section and will comply with such restrictions.

(iv) Destruction or Return of Personal Information. Company shall, at the direction of Flagstar, permanently and securely destroy or return to Flagstar any Personal Information that Company has obtained or received from Flagstar, or directly from a Flagstar Customer, Flagstar Representative, or Consumer on Flagstar's behalf, (i) within thirty (30) days of a request from Flagstar, (ii) within thirty (30) days of the termination of the specific business purpose or commercial purpose under the Agreement for which the Personal Information was provided to Company, or (iii) within sixty (60) days of the termination of this Agreement. However, Company may retain Personal Information about a Flagstar Customer or Consumer that the Company has obtained in connection with providing a financial product or service to that Flagstar Customer or Consumer during the Term or at the time of termination of this Agreement or for any other purpose permitted by State Privacy Laws and applicable regulations promulgated thereunder, as amended from time to time. If Company will retain such Personal Information for any of the foregoing reasons, notice must be provided to Flagstar along with an explanation for the reasons for such retention.

(v) Cooperation with Flagstar's Response To Privacy Rights Requests. Company shall fully cooperate and assist Flagstar in fulfilling its obligation to respond to requests by Flagstar Customers, Flagstar Representatives, or Consumers to exercise their rights under State Privacy Laws, including, but not limited to, the right to access, correct, delete, and restrict the processing of Personal Information that Company collects, maintains, sells or shares on behalf of Flagstar. Company shall notify Flagstar within five (5) days of receipt if it receives a request from any Flagstar Customer, Flagstar Representative, or Consumer under any data protection law with respect to any Personal Information it obtained or received pursuant to this Agreement or any applicable Statement(s) of Work incorporating this Agreement. If Company receives such a request, it shall not respond to that request except according to documented instructions of Flagstar or as required by Applicable Laws, in which case, and to the extent permitted by law, Company shall inform Flagstar of that legal requirement before it responds to the request.

(vi) Compliance Audits. Flagstar has the right, upon notice to Company, to take reasonable and appropriate steps, once every twelve (12) months, to ensure that Company retains and uses Personal Information in a manner consistent with this Section 14 (Compliance with State Privacy Laws) and State Privacy Laws. Such reasonable and appropriate steps may include, but are not limited to, internal and third-party assessments.

(vii) Remediation of Unauthorized Processing. Flagstar has the right, upon notice to Company, to take reasonable and appropriate steps to stop and remediate Company's unauthorized Processing of Personal Information or Personal Data, including, but not limited to, requiring Company to provide documentation that verifies that Company is no longer Processing Personal Information or Personal Data that is subject to a valid request to delete.

(viii) Inability to Comply with State Privacy Laws. Company shall immediately inform Flagstar no later than five (5) days after Company makes the determination that it no longer can meet its obligations under this Section 14 (Compliance with State Privacy Laws) or any State Privacy Law. Upon receipt of any such notice, Flagstar may, in its discretion, (i) take reasonable and appropriate steps to stop and remediate any unauthorized use of Personal Information, or (ii) terminate this Agreement.

(ix) Request for Purpose of Collection, Processing and Use. At any time during or after the termination of this Agreement or expiration of the Term, Flagstar may request certain information from Company regarding the Personal Information or Personal Data collected, processed or used by Company pursuant to this Agreement and the purpose for which such Personal Information or Personal Data was collected or used. Company shall respond to Flagstar's request within thirty (30) days of receipt of Flagstar's request.

(x) Other Person to Assist Company in Processing Personal Information. If Company engages any other person to assist it in processing Personal Information on behalf of Flagstar, or if any other person engaged by Company engages another person to assist

in processing Personal Information under the Agreement, Company shall notify Flagstar of any such engagement. Company shall not enter into any such engagement unless the engagement is pursuant to a written contract binding the other person to observe all the requirements of this Agreement, State Privacy Laws, and their implementing regulations.

(xi) Breach. Any breach of this Section shall be considered a material breach of this Agreement. This Section shall survive any termination of this Agreement or expiration of the Term.

4. Information Security.

4.1 Compliance with Exhibit A and Applicable Law. Company agrees to cause its Representatives to comply with the information and security obligations and standards set forth in EXHIBIT A attached hereto during the term of this Agreement (as defined in EXHIBIT A). Without limiting the foregoing, Company is and shall remain in compliance with Applicable Law and shall not engage in any unfair, deceptive or abusive acts or practices. During the term of this Agreement, Company shall have programs in place to ensure that Company remains compliant with Applicable Law and that Company's staff is knowledgeable about Applicable Law and any amendments thereto that may affect the quality of the Services. Company shall provide details of these programs to Flagstar at Flagstar's request and shall address any deficiencies identified by Flagstar. Without limiting the foregoing, Company shall maintain and enforce commercially reasonable information security and physical security policies, procedures and standards, and shall provide details of such policies, procedures and standards to Flagstar at Flagstar's request or upon any material change thereto. Company represents, warrants and covenants that (i) Company's information security program is (and will remain) designed to ensure compliance with its obligations under this Section 4 and other Applicable Requirements, (ii) such program is consistent (and will remain consistent, notwithstanding any system modifications or other updates) with Flagstar's information security program as updated by Flagstar from time to time (by notice to Company); and (iii) Company has implemented and will maintain and provide to Flagstar a copy of its information security policies and procedures with respect to such requirements.

4.2 Security Incident Notification.

(a) If any unauthorized or unlawful act or occurrence that bypasses, breaches, compromises or contravenes Data Safeguards (as defined in EXHIBIT A) or results (or is reasonably likely to result) in actual harm to the confidentiality, integrity, or availability of any Restricted Data and Information or Flagstar Confidential Information, including any other unauthorized access to, disclosure, use, possession, alteration, loss of or destruction of, or intrusion with respect to Restricted Data and Information or any other Flagstar Confidential Information, whether such information is in electronic, paper or any other format, occurs or is reasonably suspected to have occurred or is credibly threatened (any such actual, reasonably suspected or credibly threatened act or occurrence, a "**Security Incident**"), Company agrees to immediately notify Flagstar of such Security Incident, by telephone call to Shelbi Love at (361) 633-9389 and by email to both Corporate_Incident_Response@flagstar.com. Such notice shall describe the nature and scope of the Security Incident, identifying the type of information, the information systems and Customers or Flagstar Representatives impacted, estimating the Security Incident's effect on Flagstar or its Customers and Flagstar Representatives, specifying the Company's plans for corrective actions, and reporting steps taken to respond to the Security Incident and preserve information for any necessary investigation. Company shall take full responsibility for any Security Incident caused by the Services provided under this Agreement. Without limiting the foregoing, the notification required to be delivered to Flagstar shall be delivered promptly and in no event later than twenty-four (24) hours after Company first learns of or suspects such Security Incident or determines that a Security Incident has occurred or is credibly threatened; provided that in the case of any Computer-Security Notification Incident, such notification shall be delivered as soon as possible and in no event later than twelve (12) hours after Company first learns of or suspects such Security Incident or determines that such an incident has occurred or is credibly threatened. Company shall not unreasonably delay any such notification to Flagstar for any reason, including for investigative purposes. Upon Flagstar's request, Company shall provide Flagstar with: (1) a forensic analysis report of the Security Incident that includes at a minimum: a detailed scope of the forensic analysis performed; identification of the initial and subsequent entry points, if any, into the environment; the extent of any unauthorized activity or actions by the malicious actor; identified instances of persistence within the environment; all assets, resources and/or systems accessed during the incursion; determination of method(s) utilized to exfiltrate data, if applicable; compromised credentials; identified instances of communication to Command and Control servers; and sources of evidence utilized to arrive at documented conclusions; and (2) a root cause analysis report that documents the root cause(s) of the Security Incident as well as any action(s) taken to remediate issues uncovered in such root cause analysis. Company shall, at its own expense, cooperate fully with Flagstar in investigating and responding to each successful or attempted Security Incident including allowing immediate access to Company's facilities by Flagstar and Flagstar's investigators or other representatives, to investigate, and obtain copies of data as provided herein. Company shall also, at its own expense, cooperate with Flagstar in responding to the Security Incident, notifying Customers, Flagstar Representatives, or other affected individuals as required by law, and seeking injunctive or other equitable relief against any such person or persons who have violated or attempted to violate the security of any such information. In the event that Applicable Requirements require that Customers, Flagstar Representatives, Regulators or any other Persons be notified of a Security Incident, and Applicable Requirements do not establish whether such notice must come from Flagstar or Company, Flagstar shall have the discretion of determining whether such notice shall come from Flagstar or Company. In

any event, Flagstar, in its sole and reasonable discretion, shall determine the content (including the choice of letterhead and any reference to Company), timing, and other details of such notice. Company shall be responsible for reimbursing Flagstar for the costs of such notifications and fielding feedback and questions from those notified, and any other associated costs that Flagstar may incur in connection with responding to or managing a Security Incident (for example, without limitation, costs of credit monitoring services, call center services and forensics services, fines imposed by regulatory agencies resulting from the Security Incident and costs associated with investigating and responding to investigations and inquiries related to a Security Incident from federal and state agencies and others, including legal fees).

(b) For purposes of the notification requirement in Section 4.2(a), Flagstar may at any time deliver notice to Company changing the email address or other Flagstar point of contact to which such notification must be delivered, or adding one or more additional points of contact for such purpose (which may consist of any email address, phone number or other contact information for any employee or representative of Flagstar). Any notification of a Security Incident delivered by Company after its receipt of a notice changing such point(s) of contact shall be delivered to any and all such updated point(s) of contact; provided that, if Flagstar notifies Company that any previously designated point of contact no longer applies but fails to designate a replacement point of contact for such purpose, Company shall deliver such notification to Flagstar's Chief Executive Officer and Chief Information Officer, or two individuals with comparable responsibilities, through any reasonable means.

4.3 VPNs. All electronic transfers of Confidential Information between Company and Flagstar must be effected over either dedicated physical point-to-point circuits or site-to-site virtual private networks ("VPNs"). No Confidential bank data may be exchanged over the Internet without the express written approval of Flagstar's Chief Information Security Officer.

5. Term and Termination. Except as otherwise provided in this Section, this Agreement shall remain in full force and effect from the Effective Date until Company has fulfilled all duties under the Settlement Agreement and has Returned, Destroyed and/or Sanitized any and all Confidential Information (the "Term").

6. Indemnification. To the fullest extent permitted by law, Company shall indemnify, defend, and hold harmless Flagstar, all of its subsidiaries, parents and other Affiliates and each of their respective agents, officers, directors, managers, and employees (collectively, "**Indemnified Parties**") from and against any and all claims, demands, actions, damages (including court costs, investigative costs and reasonable attorneys' fees), judgments, liabilities, fines, costs, first party losses, and expenses (including attorneys' fees and costs of investigation and evaluation), whether or not resulting from a third-party claim, which may arise out of, relate to, or be in connection with (a), any unauthorized access to, unauthorized acquisition, collection, or use of, or unauthorized disclosure of any Confidential Information provided to Company, including in connection with any Security Incident; (c) any breach of this Agreement by Company or otherwise attributable to its Representatives or Subcontractors (including any breach of its data security and confidentiality obligations hereunder); (d) any violation of Applicable Laws by Company or by any of its Representatives; or (c) any fraud, willful misconduct or negligence of Company or any of its Representative.

6.1 Procedures for Indemnification. Flagstar shall promptly notify Company of any allegation, claim, arbitration, investigation, lawsuit or action described in Section 6 (Indemnification) above (each a "**Indemnification Claim**"). Flagstar and each of its Affiliates shall have the right to employ counsel as determined is necessary in its sole discretion. Flagstar and its Affiliates shall retain the right to select its counsel in defending, and conduct the defense of, any Indemnification Claim if Flagstar determines, in its sole discretion, that (a) it is not satisfied with the counsel selected by the Company or (b) selecting counsel would be in Flagstar's best interest. Company may not, without Flagstar's prior written consent, settle, compromise or consent to the entry of any judgment in any Indemnification Claim, unless such settlement, compromise or consent: (a) includes an unconditional release of the relevant Indemnified Parties from all liability arising out of such commenced or threatened claim or action; and (b) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, any Indemnified Party or otherwise adversely affect any Indemnified Party. In connection with any settlement and/or settlement discussions regarding a Indemnification Claim, Company shall use all reasonable efforts to obtain a strict agreement of confidentiality from all participating parties. Without limiting the foregoing, in the event that a court requests that any settlement agreement, or any portion(s) thereof, regarding a Indemnification Claim be provided to the court, Company shall use all commercially reasonable efforts to have any such information filed under seal with such court.

7. Insurance.

7.1 Required Coverage. For the duration of the Term, Vendor shall, at its sole expense, obtain and maintain in full force and effect, with insurance companies rated no lower than A:VIII in the most recent edition of A.M. Best's Property - Casualty Key Rating Guide and licensed to do business in the state where the work is being performed, the insurance coverages listed below:

- (a) General Liability insurance on an ISO CG 00 01 occurrence form, or its equivalent, including coverages for operations, products/completed operations, personal and advertising injury, and contractual liability assumed in this Agreement.

The policy shall have minimum limits of \$1,000,000 per occurrence for bodily injury and property damage (without limitation), \$2,000,000 annual aggregate, \$2,000,000 for products and completed operations, and \$1,000,000 for personal and advertising injury. The coverage form shall be free of any limitation to the standard ISO CG 00 01 definition of insured contract.

- (b) Workers Compensation and Employers Liability insurance policies covering each and every worker employed by Vendor or any of its Affiliates, as follows:
 - (i) Statutory benefits as required by law; and
 - (ii) Employers' Liability limits of \$1,000,000 bodily injury by accident, \$1,000,000 each employee bodily injury by disease, and \$1,000,000 policy aggregate for bodily injury by disease, or otherwise satisfactory to meet minimum underlying policy requirements for the Umbrella or Excess Liability policy.
- (c) Umbrella or Excess Liability insurance supplementing the General Liability and Employers Liability policies referenced above with minimum limits of \$5,000,000 for each occurrence and \$5,000,000 aggregate. The coverage provided by such policy shall, at a minimum, cover the same exposures as the above referenced underlying insurance, without exception.
- (d) Professional Liability insurance (Errors and Omissions insurance) covering all Services and work described in this Agreement and any applicable Amendments, Exhibits or Scopes of Work. Coverage shall be maintained in an amount of at least \$5,000,000 per loss/claim, with an annual aggregate of at least \$5,000,000 and shall cover actual or alleged acts, errors or omissions committed by Vendor, its agents or employees, arising out of the performance of this Agreement. The policy coverage shall also extend to include personal injury, arising from the performance of professional Services and/or arising out of the Services.
Whether as an exposure covered by this policy, or as part of a separate policy (with identical terms as outlined herein), Vendor shall also maintain Computer Security and Privacy Liability Coverage with limits in the amount of \$5,000,000 per occurrence and \$5,000,000 in the aggregate.
 - (i) Such insurance limits shall not be eroded by other matters and coverage shall apply to all costs, expenses and damages arising out of Vendor's acts, errors or omissions in rendering or failing to render Services, including failure to perform Services.
 - (ii) The policy shall include coverage for loss, disclosure of theft of data in any form, media and content rights infringement and liability, including software copyright infringement, network security failure, including denial of service attacks and transmission of malicious code.
 - (iii) Coverage shall also include the cost of notifying individuals of a security or data breach, the cost of credit monitoring services, and crisis management expenses.
 - (iv) The policy shall also cover consequential or vicarious liabilities brought against Flagstar arising out of the Vendor's acts, errors or omissions or the rendering of the Services to Flagstar.
 - (v) The policy shall either (x) not include any insured vs. insured exclusion or (y) have its insured vs. insured exclusion amended to allow an additional insured to bring a claim against the named insured.
 - (vi) If this coverage is provided on a claims-made basis, then it must be maintained for a period of three (3) years after completion of the Deliverables and/or Services provided in connection with this Agreement. If such claims-made policy is replaced within the Term, the new policy shall have a retro date that extends at least to the beginning of the Agreement Effective Date.
- (e) Fidelity/Employee Dishonesty Insurance - with limits of \$5,000,000 per loss, including loss to Flagstar's property or that of its customers for which Vendor is responsible. Flagstar, and its parents, subsidiaries, Affiliates, agents, officers, directors, and employees is to be included as loss payee as their interest may appear on the policy. Such insurance shall cover, without limitation, losses of property through any dishonest, fraudulent, or criminal act of Vendor, its employees or subcontractors or through robbery, burglary, larceny, theft, hold-up, destruction, misplacement, or mysterious disappearance of property while in the possession of Vendor, its employees, agents, subagents, or contractors.

7.2 Additional Insured. Flagstar Bank, N.A. and its parents, subsidiaries, Affiliates, agents, officers, directors and employees shall be named as additional insured on a primary and non-contributory basis on a form to be approved by Flagstar and submitted with each certificate of insurance. The additional insured endorsement shall apply to the General Liability, Umbrella/Excess Liability, Professional Liability and Computer Security policies noted above, without limitation.

7.3 Cancellation. Vendor will provide Flagstar with prompt notice of the cancellation, non-renewal or material change of any of the foregoing policies.

7.4 Waiver of Subrogation. The insurance policies supplied by Vendor pursuant to this Section shall include a waiver of any right of subrogation of the insurers thereunder against Flagstar and its assigns, subsidiaries, Affiliates, employees, insurers and underwriters and of any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise,

in respect of any liability of any such person insured under any such policy.

7.5 Certificate of Insurance. Vendor shall provide evidence that it has met all of its insurance obligations as set forth above by delivering to Flagstar certificates of insurance evidencing compliance with such obligations immediately after execution of this Agreement but prior to commencement of Services, and annually, thereafter, no more than ten (10) days after expiration of each required insurance policy. Such certificates shall name Flagstar as the certificate holder and shall be delivered to Flagstar by either (1) email, sent to the following address: ThirdPartyOversight@Flagstar.com, or (2) mailed (via US Mail), sent to the following address: Flagstar N.A., Attn: Third Party Management, 5151 Corp Drive, Troy, MI 48098. Note, delivery via email is the preferred method of delivery.

8. Headings; Entire Agreement; Amendments. Section headings are for convenience only and are not to be considered a substantive part of this Agreement. This Agreement, including the Exhibits, contains all the agreements, representations, and understandings of the Parties hereto and supersedes any previous understandings, commitments, or agreements, oral or written, of the Parties with respect to the subject matter of this Agreement. In the event of a conflict or inconsistency between the terms and conditions of the Settlement and the terms and conditions of the body of this Agreement, this Agreement shall control to the extent of such conflict and all conflicting terms and conditions of the Settlement shall be void unless agreed to in a separate instrument signed by the Parties and indicating their express intent for such provision of the Settlement to control over the provision of the body of this Agreement. Except as provided in the foregoing sentence, no provisions of this Agreement shall be deemed to alter or modify any term or provision of the Settlement. Defined terms used herein but not otherwise defined herein shall have the respective meanings set forth in the respective Agreement. The waiver by either Party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach. This Agreement may not be modified or amended except in a writing signed by a duly authorized representative of each Party; no other act, usage, or custom shall be deemed to amend or modify this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, unenforceable, or in conflict with any Applicable Laws, the validity of the remaining portions or provisions shall remain in full force and effect.

9. Survival. Notwithstanding anything to the contrary herein, Company's obligations regarding Flagstar's Confidential Information shall survive termination and shall continue until all Confidential Information is Destroyed, Sanitized or returned to Flagstar in accordance with this Agreement. Further, notwithstanding anything to the contrary herein, Section 6, 8, 9, 10, 11, 12, 13, 14 and 15 shall survive termination of this Agreement.

10. Governing Law and Venue; Jury Trial Waiver. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the principles of conflict of laws thereof. The Parties irrevocably and unconditionally submit to the jurisdiction of any state or federal court sitting in the Borough of Manhattan in the State of New York for the purposes of any action or suit arising out of this Agreement, and neither Party shall commence any action, suit, or proceedings relating thereto except in such courts. Each Party hereto waives any objection to the venue of any action arising out of this Agreement which is brought in any state or federal court sitting in the Borough of Manhattan in the State of New York and waives any claim in any such court that any such action, suit, or proceeding has been brought in an inconvenient forum. THE PARTIES HERETO IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER IN CONTRACT, STATUTE, TORT (SUCH AS NEGLIGENCE), OR OTHERWISE) RELATING TO THIS AGREEMENT.

11. Notices. Except as otherwise specified herein, All notices to be given hereunder shall be in writing to the addresses set forth in this Agreement. Notice shall be considered delivered and effective three (3) days after mailing when sent by registered or certified mail return receipt requested.

If to Flagstar:

FLAGSTAR BANK, N.A.
102 Duffy Avenue
Hicksville, NY 11801
Attention: Third Party Management Department
with a copy (which shall not constitute notice) to:
Flagstar Bank, N.A.
102 Duffy Avenue
Hicksville, NY 11801
ATTN: General Counsel

If to Company:

12. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

13. Successors and Assigns. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

14. Amendments; Entire Agreement; Execution; Counterparts. Any term of this Agreement may be amended only with the written consent of the Parties. This Agreement is the product of the Parties hereto, and it constitutes the entire agreement between such Parties related to the security and confidentiality of the Confidential Information. Any and all other written or oral agreements that existed between the Parties hereto are hereby superseded. This Agreement may be executed in any number of counterparts and by facsimile or other electronic means. Each counterpart shall have the same legal effect as an original, and all of which together shall constitute one and the same instrument.

15. Assignment. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, such consent not to be unreasonably withheld, except that each Party may transfer to their parents or majority-owned subsidiaries without the consent of the other Party.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date written above.

COMPANY:

[Phoenix Settlement Administrators]

By: Taylor Mitzner
Name: Taylor Mitzner
Title: Group Coordinator, Case Management

FLAGSTAR BANK, N.A.

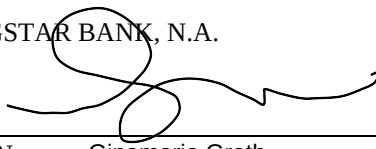
By: 
Name: Ginamarie Grath
Title: SVP, Assoc. General Counsel

Exhibit A

INFORMATION AND SECURITY

1. INTRODUCTION

Phoenix Settlement Administrators

1411 N Batavia St, Suite 105
Orange, CA 92863

(a) [COMPANY] a [____], with offices at [____] (“Company”). shall comply with the information and security obligations and standards set forth in this Exhibit A during the Term of the Information Security Agreement (this “Agreement”) is entered into as of [August 27], 20[25] (the “**Effective Date**”) by and between Flagstar Bank, N.A., a national bank, having its principal place of business at 102 Duffy Avenue, Hicksville, NY 11801 (“**Flagstar**”), and Company. If Company implements, creates, or introduces enhanced standards or controls regarding services availability, technical Support, Data Safeguards, or business continuity for any other of its existing or new customers or clients, then Company shall promptly implement or make available those enhanced standards or controls for Flagstar, and this Exhibit A will automatically be amended to encompass such enhanced standards or controls.

(b) Company shall comply, and shall cause its suppliers to comply, with or exceed applicable industry best practices as follows: (a) adhering to Center of Internet Security secure-build benchmarks in its Computer Systems and Services; (b) implementing firewalls with advanced-threat protection (e.g., zero-day-threat protection, domain-name services (DNS) filtering/DNS sinkhole, intrusion detection and protection systems, uniform resource locator (URL) filtering, and blocking (both inbound and outbound) of known malicious websites); (c) creating infrastructure that provides alerts to the Company and Flagstar of security events; (d) building, operating, and maintaining reasonably secure Company Computer Systems and Services; (e) tracking access to and attempted intrusions into Company Computer Systems and the Services; and (f) maintaining the integrity and security of user IDs, passwords, and confidential information that may be used or stored on or in Company’s Computer Systems or the Services. Company and its suppliers shall maintain technical currency and shall promptly install all supplier-suggested patches, fixes, and updates to Company’s Computer Systems and the Services. Company and its suppliers shall monitor, test, and adjust the Data Safeguards and Company’s Business Continuity Plan from time to time considering the circumstances or the results of Company’s or third parties’ testing or monitoring of the Services or the Business Continuity Plan.

2. DEFINITIONS

In addition to the capitalized terms defined elsewhere in the Agreement and used in this Exhibit A, which shall have the respective meanings given them in the Agreement, the following capitalized terms used in this Exhibit A shall have the following meanings:

(a) “**Business Continuity Plan**” means Company’s plan for restoring Flagstar Data and recovering a loss of Flagstar Data in the event of a Disaster.

(b) “**Computer Systems**” means a computer system, platform, network, and information-technology environment, including any related hardware, software, applications, host servers, switches, firewalls, routers, network devices, network software, extranets, intranets, internal or public-facing websites, and peripherals, that are owned, leased, or licensed.

(c) “**Data Safeguards**” means Company’s and its third-party suppliers’ administrative, technical, procedural, and physical safeguards and controls to (a) ensure the security, availability, confidentiality, and integrity of the Services, Restricted Data and Information and Company’s Computer Systems; and (b) prevent the unauthorized access, disclosure, use, destruction, loss, or alteration of the Services, Restricted Data and Information and Company’s Computer Systems.

(d) “**Disaster**” means any one event or series of events beyond a party’s control, including an act of God, disaster, fire, flood, earthquake, catastrophic failure, or any other emergency or unplanned interruption to the Services that results in Flagstar’s loss of access to the Services, loss of Restricted Data and Information, or Flagstar’s extended loss of access to, or use of, Restricted Data and Information.

(e) “**Harmful Code**” means any software, hardware, or other technology, device, or means, including any virus, bomb, trap, worm, Trojan horse, malware, disabling device, or other malicious computer code, instruction, or program the purpose or effect of which is to (i) permit a person’s or entity’s unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner a Computer System, or any application or function of a Computer System, or the security, integrity, confidentiality, or use of any data processed by a Computer System; or (ii) prevent Flagstar from accessing or using the Services as intended.

(f) “**Industry Standards**” means a set of criteria within an industry relating to the standard functioning and carrying out of operations in their respective fields of production. In other words it is the generally accepted requirements followed by the members of

an industry. For the purpose of this document the definition includes frameworks like Database Security Technical Implementation Guide (STIG) templates, National Institute of Standards and Technology (NIST) standards, and Control Objectives for Information and related Technology (COBIT) frameworks, at least compliant with the Federal Risk and Authorization Management Program (FedRAMP).

(g) **“Law(s)”** means any federal, state, county, or local law, ordinance, statute, rule, regulation, regulatory guidance, code, guideline, policy, notice, treaty, judgment, order, decree, injunction, permit, issuance, or other determination or finding of any governmental authority, government-sponsored enterprise, or self-regulatory organization.

(h) **“Personally Identifiable Information” or “PII”** means information that can be used to distinguish, uniquely identify or trace an individual person’s identity, alone, or when combined with other personal or identifying information that is linked or linkable to a specific individual person or any other information that is applicable by Law and is required to be protected or encrypted.

(i) **“Personnel”** means an employee, agent, independent contractor, subcontractor, Company, or supplier who is employed by or contracts with a party to perform the party’s obligations under this Agreement or that Company employs or contracts with to monitor, analyze, improve, fix, or develop future versions or iterations of the Services.

(j) **“Recovery Point Objective” or “RPO”** means the maximum amount of data, as measured by time, that can be lost after a recovery from a disaster, failure, or comparable event before data loss will exceed what is acceptable to an organization.

(k) **“Recovery Time Objective” or “RTO”** means the period of time within which Company shall restore Flagstar’s access to the Services, recover Restricted Data and Information, or restore Flagstar’s access to Restricted Data and Information after a Disaster.

3. COMMINGLING OF DATA

Company will maintain separation of Flagstar Data through physical or logical safeguards and not commingle such Flagstar Data with any data or information belonging to or provided by any of Company’s other customers or clients. Physical safeguards must include separation of processes, machines and/or devices. Logical safeguards must include controls for user access, encryption, monitoring and reporting interactions with the data. Company shall institute and maintain quality controls, including suitable testing procedures, in a manner consistent with the highest applicable Industry Standards and applicable Privacy and Data Security Requirements, to ensure that such commingling does not occur.

4. INFORMATION SECURITY

Company will maintain documented information security and cybersecurity policies and procedures reasonably designed to limit access to relevant information systems and Confidential Information. Such policies and procedures shall document the use of multi-factor authentication within Company’s environment, the use of encryption of Confidential Information in transit and at rest, and timely notification to Flagstar in the event of a Security Incident. Such policies and procedures must be reviewed and approved by senior management or other appropriately designated level of management of Company at least annually.

Company shall also ensure all Company’s Personnel receive ongoing Information Security and Data Privacy training at least annually to ensure Company’s Personnel remain abreast of threats facing Company and how to defend against such threats.

5. PERSONNEL SECURITY

Company’s Personnel with access to Flagstar Data will: (a) complete privacy and information security awareness training as part of the onboarding process; (b) receive ongoing security awareness training on at least an annual basis; and (c) conduct security awareness training for new hires. Company represents that it strictly limits access to PII only to those Personnel who need to know or access relevant PII, as strictly necessary for the purposes of the Agreement.

6. DATA PROTECTION

Company shall implement and maintain the following policies, procedures and controls:

(a) An automated application execution control platform that identifies and prevents unauthorized software from executing within Company’s Computer Systems.

(b) Data loss prevention software to automatically monitor, detect and prevent the unauthorized movement of Confidential Information or other data outside Company's Computer Systems.

(c) Controls to ensure that Confidential Information (including source code) will not be transmitted unless encrypted using Industry Standard strong encryption algorithms with a minimum key length of 256 bits.

(d) Controls requiring that all Confidential Information at rest (including any data on laptops, desktops and other mobile endpoints) be encrypted in using Industry Standard cryptographically strong encryption with a minimum of 256 bit key length.

(e) Cybersecurity controls governing PII must be implemented and maintained per Flagstar's PII Standards and Guidelines.

(f) Company will maintain and enforce safety, electronic, and physical security procedures with respect to its access, use, and possession of Flagstar's Confidential Information, including Customer Information, that are (i) compliant with Flagstar's information security guidelines, policies and requirements, and (ii) which provide appropriate technical and organizational safeguards against accidental or unlawful destruction, loss, alteration or unauthorized disclosure or access of such information. Without limiting the generality of the foregoing, Company will take all reasonable measures to secure and defend its locations and equipment against "hackers" and others who may seek, without authorization, to modify or access Company Computer Systems or the information found therein. Company will periodically test its Computer Systems for potential areas where security could be breached. Without in any way limiting the provisions of Section 4.2 of the Agreement, this Section 6(f) or Section 7(k) of this Exhibit A, Company (a) will immediately notify Flagstar of any Security Incident, (b) will deliver to Flagstar a root cause assessment and future incident mitigation plan with regard to any Security Incident or other breach of security or unauthorized access affecting Flagstar's Customer Information, (c) will provide Flagstar all written details regarding Company's internal investigation regarding any Security Incident, (d) upon Flagstar's request, will provide a second more in-depth investigation and results of findings, (e) agrees not to notify any Regulator or any Customer or consumer, on behalf of Flagstar unless Flagstar specifically requests in writing that Company do so, and (f) will cooperate with Flagstar to work together to formulate a plan to rectify all Security Incidents. Company will be financially responsible for correcting errors resulting in the loss of Flagstar Data and reimbursing Flagstar for such losses to the extent such errors or losses were caused by Company or any of its Representatives.

(g) Company shall not process Customer Information unless according to documented instructions from Flagstar, except and unless required to do so by applicable data protection laws to which Company is subject, in which case, to the extent permitted by Law, Company shall inform Flagstar of that legal requirement before processing. Flagstar instructs Company to process Customer Information as reasonably necessary to provide the Services under the Agreement.

(h) Company shall report to Flagstar which entities or other Persons have requested exports of Flagstar Data from the Services.

(i) Company shall not subcontract processing involving Customer Information unless it receives Flagstar's prior written consent and the processing is subject to a written agreement that contains substantially the same obligations as are set forth in any part of this Agreement or this Exhibit A dealing with Customer Information, confidentiality, or information security.

(j) All internal electronic transfers of Confidential Information must be effected via systems that are physically isolated from systems utilized to effect data transfers outside Company's Computer Systems.

7. ACCESS MANAGEMENT

Company shall implement and maintain the following policies, procedures and controls:

(a) Multifactor authentication must be utilized in connection with remote access into the Company's Computer Systems, as well as for authentication to the internal network and any Computer System (including source code) containing or having access to Customer Information.

(b) Password parameters for Computer Systems access that require at a minimum 8 alpha-numeric, upper/lower case and special characters (in the event authentication is supplemented via commercially reasonable multi-factor schema); or in the absence of multi-factor authentication, a minimum of 12 alpha-numeric, upper/lower case and special characters if relying upon a single factor authentication schema).

(c) Audit logging in connection with all systems to capture events that would provide for adequate detection, response, and forensic analysis in the event of an actual or threatened intrusion, Security Incident, or unauthorized use or disclosure involving Flagstar's

Confidential Information, with all logs being maintained for a minimum of 36 months. Immutable copies of audit logs should be maintained wherever possible.

(d) Documented and implemented policies and procedures, approved by management, regarding termination, change of status, and access control of Company's Representatives, including established service level agreements that govern all aspects of user provisioning, and deprovisioning, system access, segregation of duties, identification of privileged users and accounts, and roles and responsibilities; to ensure processes are clearly communicated and performed timely.

(e) Annual user access reviews of all users at the network and system level to ensure access is appropriate as required for users to perform their respective job functions.

(f) A centralized account and authentication repository utilizing Industry Standard directory services that manages authentication across the Computer Systems utilized in providing the Services to Flagstar.

(g) Passwords must be stored using a one-way salted-hash algorithm relying upon Industry Standard non-deprecated strong hashing methods (e.g. SHA2).

(h) Formalized processes to ensure user access to the Internet is appropriately restricted, with access based upon the concept of least privilege, and requiring independent review and approval prior to access being granted. All Internet-based activity must be logged and monitored.

(i) Wireless networks providing access to the corporate network must use strong encryption (WPA3) and require multi-factor authentication.

8. SECURITY LOGGING AND MONITORING

Company shall implement and maintain the following policies, procedures and controls:

(a) All logs necessary to ensure adequate detection and response to an actual, potential, or threatened intrusion, Security Incident, or unauthorized use or disclosure involving Flagstar's Confidential Information in Company's possession shall be maintained in a centralized location and stored for a minimum of 36 months.

(b) A documented process to for the creation, periodic testing, tuning, and reviewing of security-related events in either real- or near real-time for the purpose of identifying potential indicators of breach or malicious activity.

(c) Controls to ensure that user access to external websites is logged and monitored , with available system functionality through either system portal access or report generation to provide for user Internet activity reviews in the event potential suspicious or malicious activity is detected.

(d) Company shall have mechanisms to ensure all access to sensitive customer- and employee-data is logged; with log information including, at a minimum: the date, time, user, source IP address, and functionality accessed and/or modified. At no cost to Flagstar, Company shall allow Flagstar reasonable access to Company's or its supplier's security logs, availability and performance statistics, and other related security data that affects the Services or Flagstar Data.

(e) Procedures governing the identification and monitoring of users with privileged access within the Company's environment, and requiring periodic access reviews to be performed no less frequently than annually to ensure assigned access privileges are appropriate.

9. PHYSICAL SECURITY

Company shall implement and maintain the following policies, procedures and controls:

(a) Controls to ensure access to sensitive areas will be restricted to only authorized Personnel who have need based on business justification, with an ability to identify and respond to unauthorized access attempts.

(b) Company must implement and maintain policies and procedures to reduce the risk of damage or harm to Personnel and physical property or data in Company's possession.

10. THIRD PARTY SECURITY DILIGENCE AND RISK MANAGEMENT

(a) Company shall perform security due diligence on all third-party companies and suppliers that it uses, in whole or in part, to perform the Services and shall ensure that each such third-party company or supplier can, to the extent applicable, satisfy the same obligations as Company's under this Exhibit A. To the extent that any Company third-party company or supplier cannot, in whole or in part, satisfy the same obligations as Company's under this Exhibit A, Company shall notify Flagstar in writing within 10 business days after Company learns that the third-party Company(s) or supplier(s) cannot satisfy the same obligations as Company's under this Exhibit A.

(b) Company must implement and maintain a third party risk management program to manage risks associated with third party access to, or storage or processing of, Flagstar Data.

(c) Company must conduct initial and periodic risk assessments of third party vendors as warranted by each such Company's risk classification.

(d) Company shall remain responsible for all activities of such third parties, vendors, and subcontractors to the same extent as if such activities were performed by Company.

(e) Company's third parties, vendors, and subcontractors may not further subcontract, delegate or otherwise transfer their obligations, or disclose Flagstar Data, without Flagstar's prior written consent.

(f) Company shall ensure any access by its third parties, vendors, and subcontractors to Company's systems and Flagstar Data will be through the use of a multi-factor authentication mechanism.

11. ASSET MANAGEMENT.

Company shall implement and maintain the following policies, procedures and controls:

(a) Company shall implement and maintain a formalized asset management program for the purpose of ensuring that hardware and software inventories are accurate, authorized to operate within the environment and maintained with a centralized asset management tool; and identifying those assets that are or are nearing end-of-life (i.e. no longer supported). Company shall develop and implement an associated remediation strategy to address all end-of-life scenarios through either upgrades or replacement.

(b) When removable devices including, but not limited to, laptops, tablets, mobile phones USB, and CD/DVD Drives, are used it must be scanned for viruses or other malware prior to insertion/use on production systems. Removable media should be utilized only as a last resort and any removable media containing Customer Information must be, at a minimum, encrypted using a supported algorithm with key length of 256 bits and use a multi-factor authentication mechanism. If any of these portable devices are lost, stolen, or part of a Security Incident, Company shall promptly notify Flagstar in accordance with this Agreement.

(c) Company shall rely upon an enterprise-class anti-virus/anti-malware solution that is updated regularly, performs automatic quarantining of infected files, provides for notification in the event of an infection, and prevents disabling by end users.

12. SECURITY ARCHITECTURE

Company shall implement and maintain the following policies, procedures and controls:

(a) Controls ensuring that Company e-mail services are configured for the use of opportunistic non-deprecated versions of TLS and rely upon Sender Policy Framework/SPF or Domain Keys Identified Mail/DKIM-based email validation.

(b) A tiered network architecture implemented for internet-facing web applications with web servers, user network, database and staging or development deployed in separated secure network segments, and controls to separate communication between segments.

(c) Perimeter security controls (e.g., stateful firewalls, intrusion prevention and detection systems, etc.), including the use of web-application firewalls ("WAF") in connection with all systems accessed by either Flagstar personnel or customers.

(d) Documented procedures for the management of Public Key Infrastructure, if applicable; which defines roles and responsibilities, and requires appropriate key-holder segregation of duties in connection with key generation processes so that keys cannot be generated by a single individual.

(e) Company shall store system private keys and symmetric encryption keys in FIPS 140-2 Level 2 Hardware Security Modules. All encryption used by Company must use NIST-approved encryption algorithms and with a minimum 256 bit key length.

13. VULNERABILITY/PATCH MANAGEMENT/CONFIGURATION HARDENING

Company shall implement and maintain the following policies, procedures and controls:

(a) A documented enterprise-wide Patch Management Program (“**PM Program**”) that is designed to identify patch availability, determine applicability within the environment, assign a deployment category (e.g. emergency versus non-emergency), and test and deploy patches within commercially reasonable timeframes. The PM Program should identify and document all aspects of the patch management process including roles and responsibilities, establishment of deployment service level agreements based upon deployment category, oversight processes, and establishment of key risk or performance indicators for the purpose of gauging the effectiveness of the PM Program.

(b) Company shall maintain a vulnerability management assessment program that is designed to, on a monthly basis, identify vulnerabilities within the hosted environment, remediate vulnerabilities based upon pre-defined service level agreements using a risk-focused approach, and track and report on remediation efforts and aging of vulnerabilities, respectively, within the environment.

(c) Company shall maintain an annual penetration testing program (“**APT Program**”) for the purpose of identifying risks and threats to Company’s systems, implementing corrective action(s), and monitoring and reporting of remediation efforts. The APT Program should include at a minimum: external testing against all Internet-facing systems, internal testing simulating a rogue employee, internal testing simulating a breach scenario (e.g. malicious actor has gained access to the Computer Systems), physical access testing, social engineering, employee phishing, wireless network access, and network device authentication. The testing scope should include tests designed to detect vulnerabilities listed in the SANS Top-20 or similar industry standard vulnerability testing benchmark, and OWASP top-10 web application security risks. Company shall provide results of the penetration tests at least annually and provide periodic remediation status updates upon request, at no cost to Flagstar. Flagstar shall be permitted to perform penetration testing not more than once per year. In the event Flagstar perform penetration testing and discover any vulnerabilities, Company shall undertake any required remediation efforts promptly at no cost to Flagstar. Company shall notify Flagstar once such remediation efforts are complete, at which time Flagstar shall test Company’s solution. If Flagstar testing indicates that Company’s remediation efforts were not successful, Flagstar shall promptly notify Company and Company shall undertake further remediation efforts until the problem is fully resolved, at no cost to Flagstar.

(d) Company shall regularly review and update, if applicable, (a) all related software, firmware, firewalls, and hardware used in or on its Computer Systems; (b) the Services; and (c) all of Company’s related Computer Systems according to industry best practices. If applicable, Company also shall install and maintain industry-standard antivirus software on Company’s Computer Systems and the Services, and shall update the antivirus software on a regular basis according to industry best practices. Company and its Personnel shall not introduce any Harmful Code into the Services or Flagstar’s Computer Systems. Company shall notify Flagstar within one hour (using the contact information set forth in this Agreement) if Company becomes aware that Company or its Personnel have transmitted Harmful Code into the Services or Flagstar’s Computer Systems.

(e) Company shall implement a formalized configuration hardening program for configuring endpoints (laptops/desktops), servers (i.e., Windows/Linux), and network devices based on industry accepted hardening benchmarks (e.g. CIS, DISA STIG, etc.); for performance and independent effective challenge of such standards at least annually; and for remediation of any identified drift from implemented standards.

14. INFORMATION SECURITY RISK MANAGEMENT

Company shall implement and maintain a documented risk management process (“**DRM Program**”) with senior management approval that defines and describes the process by which risks impacting the confidentiality, integrity and availability of data are identified, mitigated, periodically assessed/tested, and monitored throughout the risk management lifecycle. The DRM Program should be designed to identify Key Risk Indicator (“**KRI**”) thresholds that are aligned to Company’s Risk Appetite Statement; and detect and report KRI breaches to the appropriate level of management. KRI breach reporting should include remediation strategies and associated timelines for curing the breach and returning the KRI to within acceptable levels.

15. AUDIT

Company shall permit Flagstar authorized personnel conduct a review or audit of Company's information security and/or cybersecurity policies, procedures, and practices, including penetration testing, vulnerability assessments, and remediation of significant findings, at Flagstar's cost and expense, during Company's normal business hours upon reasonable advance notice to Company, whether on-site or remotely. Company also agree that upon Flagstar's request, Company shall submit a SOC-2 or equivalent audit report to us, at no cost to us, no more than once per calendar year. Company agree to reasonably cooperate in providing any additional information requested by Flagstar's authorized personnel in connection with the SOC-2 or equivalent request.

Company agrees to maintain the following certifications or remain compliant with the following standards as a result of the services being provided to Flagstar:

- (a) ISO 27001
- (b) ISO 27701
- (c) PCI DSS
- (d) NIST 800-171

Company also agrees to provide certification or compliance status to Flagstar upon request, but no more frequently than annually, at no cost to Flagstar.

16. U.S.-BASED HOSTING ONLY

If applicable, in providing the Services to Flagstar, Company shall use only cloud-based or other data-center hosting sites located within the continental United States and any information that Company collects, captures, modifies, processes, or stores for Flagstar, including Customer Information and Flagstar Data, must be located within such cloud-based or other data-center hosting sites within the United States. Company shall not process Customer Information in any country or territory other than the continental United States and shall not transfer any Customer Information or Flagstar Data from its original hosting or data facility or location to any another hosting or data facility or location without Flagstar's prior written consent. If Company chooses to (a) maintain the Services; or (b) store Flagstar Data outside of the continental United States, then Company shall notify Flagstar at least 90 days before Company takes either of these actions and Flagstar will be entitled to either consent to the action(s) or immediately terminate the Agreement, without liability, and receive a pro-rata refund of all its pre-paid fees or charges, if any, for the Services.

17. U.S. PERSONNEL ONLY

If applicable, in providing the Services to Flagstar or monitoring, analyzing, improving, fixing, developing, or providing third-party support for current or future versions or iterations of the Services, or any component of the Services, Company shall not employ, contract with, or otherwise use Personnel located outside of the United States. Company may, in its sole discretion, waive Company's compliance with this Section in writing signed by the Parties.

18. ELIMINATION OR MATERIAL REDUCTION OF DATA SAFEGUARDS

Company shall immediately give written notice to Flagstar if Company eliminates or materially reduces any of the Data Safeguards during the Term. Any elimination or materially reduction by Company in the Data Safeguards during the Term shall constitute a material breach of the Agreement that cannot be cured and shall entitle Flagstar to (a) immediately terminate the Agreement, without liability, by written notice to Company and (b) receive a pro-rata refund of any fees or charges for Services that Flagstar pre-paid to Company.

19. CONFLICT WITH ADDENDUM & OTHER DOCUMENTS; AMENDMENT

The Parties intend this Exhibit A to supplement, not supersede or conflict with, any similar terms, conditions, and provisions in the body of the Agreement regarding the same or similar subject matter. But to the extent that there is a conflict or inconsistency between the terms, conditions, or provisions of this Exhibit A and the terms, conditions, or provisions in the body of the Agreement (or any of Company's online terms of service, use restrictions, end-user license agreement, or similar terms of use), the terms, conditions, or provisions of this Exhibit A will control and govern the Parties' rights and obligations to the extent of any such conflict or inconsistency. In the event of any conflict or inconsistency between the terms, conditions and provisions in the body of the Agreement and any of Company's online terms of service, use restrictions, end-user license agreement or similar terms of use, such terms, conditions and provisions in the body of the Agreement shall control to the extent of any such conflict or inconsistency. This Exhibit A cannot be

supplemented or modified by any course of performance, course of dealing, or trade usage. The Parties may amend this Exhibit A only in a writing signed by each Party's Representative(s) with actual authority to enter into agreements on such Party's behalf.

EXHIBIT “2”

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

Coleman v. Flagstar Bank N.A., et al.
San Bernardino Superior Court, Case No. CIVSB2309384

A COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION BY A LAWYER. YOU ARE NOT BEING SUED.

IF YOU ARE OR WERE EMPLOYED BY FLAGSTAR BANK N.A., FLAGSTAR FINANCIAL, INC., NEW YORK COMMUNITY BANK CORP, INC., OR FLAGSTAR BANK, FSB AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME FROM APRIL 27, 2019, TO APRIL 19, 2025, THEN YOU ARE A CLASS MEMBER INCLUDED IN THIS CLASS ACTION SETTLEMENT AND YOUR RIGHTS MAY EFFECTED.

Why should you read this Notice?

You may be eligible to receive money as part of a proposed settlement (the “Settlement” or “proposed Settlement”) that has been reached in class and representative action entitled *Hollie Coleman v. Flagstar Bank N.A., et al.*, San Bernardino Superior Court, Case No. CIVSB2309384 (the “Lawsuit”) for alleged violations of the California Labor Code filed against Defendants Flagstar Bank N.A., Flagstar Bank, FSB, New York Community Bancorp, Inc., and Flagstar Financial, Inc. (“Defendants”). The purpose of this Notice of Class and Representative Action Settlement (“Class Notice”) is to briefly describe the Lawsuit and to inform you of your rights and options in connection with the Lawsuit and the proposed Settlement. The proposed Settlement will resolve all claims in the Lawsuit.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Settlement Payments to Class Members, and (2) a PAGA Settlement requiring Defendants to fund PAGA Employee Payments to PAGA Employees (defined as “all current and former nonexempt, employees employed by Defendants in California at any time in the PAGA Period of April 26, 2022, through April 19, 2025”) and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). Based on Defendants’ records, and the Parties’ current assumptions, your Individual Settlement Payment and PAGA Employee Payment are shown in the charts below, along with the applicable data points from which these estimates are derived.

<i>Calculations and Data Points for Estimated Payments</i>			
Weeks Worked during Class Period	INSERT	<i>Estimated</i> Individual Settlement Payment	\$INSERT
Pay Periods during PAGA Period	INSERT	<i>Estimated</i> PAGA Employee Payment	\$INSERT

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated as an estimated PAGA Employee Payment, then according to Defendants’ records you are not eligible for a PAGA Employee Payment under the Settlement because you didn’t work for Defendants in California during the PAGA Period.) If you believe that you worked more weeks or pay periods during the time periods than are shown in the chart above, you can submit a challenge by **DATE**, 2025 (“**Response Deadline**”). See **Section XX** of this Notice.

The Court has preliminarily approved the Settlement’s payment provisions and other terms and conditions described in this notice. The Honorable Christian Towns shall finally determine whether the Settlement is fair, adequate, and reasonable and whether a Final Approval Order and a Final Judgment should be entered during a Final Approval Hearing at **[FINAL APPROVAL HEARING DATE & TIME]** in Department S26 of the San Bernardino Superior Court, located at 247 West 3rd St, San Bernardino, California 92415. Because the date and time of the Final Approval Hearing may change without further notice, you should contact the Settlement Administrator or Class Counsel for further updates.

YOUR 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 also give up various rights to pursue a separate legal action against Defendants and any Released Parties based on any of the Released Claims.

Exclude Yourself from the Settlement	If you do not want to participate in the Settlement of the Class Claims, then you must submit a request for exclusion to exclude yourself from or “Opt-Out” of the Settlement, by writing to the Settlement Administrator by [RESPONSE DEADLINE]. If you choose to Opt-Out, then you will not receive an Individual Settlement Payments or any benefits under the Settlement nor will you release any Class Claims against Defendants. You cannot opt-out of the PAGA portion of the proposed Settlement. If you qualify as a PAGA Employee, however, then you will still receive a PAGA Employee Payment even if you choose to Opt-Out of the Settlement.
Object to the Settlement	If you wish to object to the Settlement, then you must write to the Settlement Administrator by [RESPONSE DEADLINE], about why you object to the Settlement. This option is available only if you do not Opt-Out of the Settlement.
Contest or dispute your Workweeks or Pay Periods	If you believe the number of workweeks or pay periods that you were credited with working in the chart above is incorrect, then you must write to the Settlement Administrator by [RESPONSE DEADLINE], about why you dispute the number and provide supporting documentation that you possess to support your dispute.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class of persons (the “Settlement Class”):

The Settlement Class. All current and former non-exempt, employees employed by Defendants Flagstar Bank N.A., Flagstar Bank, FSB, New York Community Bancorp, Inc., and Flagstar Financial, Inc. in California at any time from April 27, 2019, through April 19, 2025.

According to Defendants’ records, you are a Settlement Class Member (“Settlement Class Member”).

What is this Action about?

Plaintiff Hollie Coleman (“Plaintiff” or “Named Plaintiff”) filed the following lawsuit alleging the following claims:

The Coleman Class Action Lawsuit. Plaintiff, Hollie Coleman, individually, and on behalf of all others similarly situated, alleged that Defendants Flagstar Bank N.A. and Flagstar Financial, Inc.: (1) Failed to Pay Minimum Wages; (2) Failed to Pay Overtime Wages; (3) Failed to Provide Meal Periods; (4) Failed to Provide Rest Periods; (5) Failed to Reimburse Business Expenses; (6) Failed to Timely Pay Final Wages; (7) Failed to Provide Accurate Itemized Wage Statements; (8) Unfair and Unlawful Competition; and (9) Civil Penalties Pursuant to PAGA Labor Code section 2698 *et seq.*

Plaintiff believes this Settlement is in the best interests of all Settlement Class Members. Defendants deny all liability and are confident they have strong legal and factual defenses to these claims, but they recognize the risks, distractions, and costs associated with continued litigation. Defendants contend the conduct is and has been lawful at all relevant times and that Plaintiff’s claims do not have merit and do not meet the requirements for class certification. This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendants (the “Parties”). Considering the risks and expenses associated with continued litigation, the Parties agree this Settlement is fair, adequate, and reasonable.

The Court has not ruled on the merits of Plaintiff’s claims or Defendants’ defenses.

Who are the attorneys representing the Class?

The attorneys representing the Settlement Class in the Action (“Class Counsel”) are:

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

What are the Settlement payment terms?

Gross Settlement Amount. The “Gross Settlement Amount” of \$850,000.00 includes: (1) all payments to be made to Settlement Class Members; (2) all payments to be made to the Labor and Workforce Development Agency (“LWDA”); (3) all payments to be made to the PAGA Employees; (4) all attorneys’ fees; (5) all costs approved by the Court; (6) all fees to be paid to a settlement administrator, and (7) the Enhancement Award.

Net Settlement Amount. The “Net Settlement Amount” is currently estimated to be \$XXX,XXX.00. The Net Settlement Amount is subject to a final accounting and will be the amount remaining for disbursement to Participating Class Members after the following amounts are deducted from Gross Settlement Amount: (1) Settlement Class Counsel’s attorneys’ fees, not to exceed one-third (1/3) of the Gross Settlement Amount (to date, Class Counsel have invested over one hundred hours into the case and incurred expenses on the Lawsuit without payment); (2) Settlement Counsel costs/expenses, not to exceed \$25,000.00; (3) the \$10,000.00 Enhancement Award to the Named Plaintiff for litigating the Lawsuit, working with Class Counsel, and representing the Class; (4) Settlement Administration Costs estimated not to exceed \$XXXXX.00 to the Settlement Administrator; (5) the \$37,500.00 PAGA payment to the LWDA; and (6) the \$12,500.00 aggregate PAGA Employee Payments to PAGA Employees.

Individual Settlement Payments to Participating Class Members. The Settlement Administrator shall disburse Individual Settlement Payments from the estimated \$XXXXX.00 Net Settlement Amount to Settlement Class Members based on the workweek credits assigned to them. Individual Settlement Payments shall be characterized as twenty percent (20%) wages, subject to IRS Form W-2 reporting, and eighty percent (80%) non-wages, subject to IRS Form 1099 reporting. The Settlement Administrator shall deduct applicable local, state, and federal taxes from the wage portion of the Individual Settlement Payments only.

PAGA Employee Payments to PAGA Employees. If you are a member of the Settlement Class and you worked as an hourly non-exempt employee for Defendants in California at any time from April 26, 2022, to April 19, 2025, (the “PAGA Period”), then you may also be a PAGA Employee. The Settlement Administrator shall disburse Individual PAGA Employee Payments from the \$12,500.00 aggregate PAGA Employee Payments to PAGA Employees based on the pay period credits assigned to them. PAGA Employee Payments shall be characterized as 100% non-wages, subject to IRS Form 1099 reporting.

PAGA Employees Cannot Opt-out of the PAGA Component of the Settlement. If you are a PAGA Employee and the Settlement becomes final, then you will be entitled to a PAGA Employee Payment even if you choose to Opt-out of the Class component of the Settlement. This is because PAGA Employee Payments do not constitute consideration offered or exchanged for the release of any Settlement Class Members’ individual, private rights of action. In other words, PAGA Employees cannot opt-out of the PAGA component of the Settlement but they can still preserve their individual, private rights to sue Defendants for any of the Released Claims as long as they Opt-out the Class component of the Settlement on time.

Checks Void at 180 Days & Transfer to the Unclaimed Property Fund. Participating Class Members and PAGA Employees must cash or deposit their Individual Settlement Payment and PAGA Employee Payment checks within one hundred eighty (180) days from the date of issuance of the check. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable. If any checks remain uncashed or not deposited by the expiration of the ninety (90) day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Payment checks and PAGA Employee Payment checks returned as undeliverable and funds associated with those Individual Settlement Payment checks and PAGA Employee Payment checks remaining uncashed, shall be delivered to the State of California’s State Controller Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Settlement Class Member and PAGA Employee.

No Tax Advice. Parties and their attorneys make no representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning any tax consequences of payments to any Class Member.

How much money should you expect as an Individual Settlement Payment and PAGA Employee Payment?

Individual Settlement Payment Calculations. The Settlement Administrator shall determine Individual Settlement Payment amounts by dividing the Net Settlement Amount among the Qualified Class Members on a pro-rata basis, based upon the following allocation:

Workweek for Settlement Class Members. The Settlement Administrator shall provide each individual Qualified Settlement Class Member with a single workweek for every calendar week that the individual Settlement Class Member worked as Defendants’ employee in the state of California during the Settlement Class Period.

PAGA Employee Payments Calculations. The Settlement Administrator shall determine PAGA Employee Payments amounts by (1) taking the PAGA Employee’s respective pay period count, which shall be the sum of the total number of pay periods the PAGA Employee worked during the PAGA Period; (2) Dividing that by the combined sum of all PAGA Employees’ pay period counts; and (3) multiplying by \$12,500 (the total amount allocated to the employee portion).

Who are the Released Parties and what claims will be released by the proposed Settlement’s Released Claims?

The Effective Date of the Settlement. The “Effective Date” is after (1) the Court has held a formal fairness hearing and entered the Court’s Final Order and Judgment, and notice of entry of judgment is filed, and (2) the later of the following

events: five (5) calendar days after the period for filing any appeal, writ, or other appellate proceeding opposing the Final Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed, *i.e.*, 65 days from the date the Court grants final approval and enters judgment, and notice of entry of judgment is served; or, if any appeal, writ, or other appellate proceeding opposing final approval has been filed within that timeframe; five business days after any appeal, writ, or other appellate proceedings opposing the Settlement has finally and conclusively dismissed with no right to pursue further remedies or relief.

Participating Class Members' Release of Released Class Claims Against Released Parties. If the Effective Date occurs and Defendants remit the Gross Settlement Amount in full to the Settlement Administrator, then Plaintiff and each Participating Class Member shall be deemed to have fully, finally, and forever released the Released Parties of the Released Claims as follows:

The "Released Parties" means Defendants and any of their past, present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, including but not limited to Flagstar Bank N.A., Flagstar Financial, Inc., New York Community Bancorp, Inc., Flagstar Bank, FSB, and Desert Community Bank, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendants.

After the Judgment is final and Defendants have fully funded the Gross 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 Released Parties for claims based on the facts alleged in the Lawsuit for the duration of the Class Period, which are resolved by this Settlement.

The Participating Class Members will be bound by the following release of the "Released Class Claims," which means the claims alleged in the Lawsuit and set forth in the Operative Complaint, including, but not limited to: (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 reimburse business expenses; (6) failure to timely pay final wages; (7) failure to provide accurate itemized wage statements (8) Unfair and Unlawful Competition (Business and Professions Code § 17200 et seq.), and those claims predicated on the same or similar facts and/or claims alleged in the Lawsuit, as well as any claims that could have been pled under California common law, the federal law, and the California Business and Professions Code alleged which arise from the same or similar facts pled in the Lawsuit, and claims for interest, penalties (including but not limited to waiting time penalties), as well as any claims under the California Labor Code for violations of Labor Code sections 200, 201, 202, 203, 204, 204.1, 208, 210, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802; applicable IWC Wage Orders; and California Code of Regulations, Title 8, sections 11000 et seq., including claims for injunctive relief, declaratory relief, restitution, which reasonably could have been alleged under the facts, allegations and/or claims pleaded in the Lawsuit.

California's Release and PAGA Employees' Release of PAGA Claims Against Released Parties. If the Effective Date occurs and Defendants' remit the Gross Settlement Amount in full to the Settlement Administrator, then the State of California, by and through Plaintiff, its deputized PAGA representatives and all PAGA Employees, shall be deemed to have fully, finally, and forever released the Released Parties of the PAGA Claims as alleged in the Operative Complaint as follows: The "PAGA Claims" means any and all claims for violation of the California Private Attorneys General Act of 2004 (Labor Code § 2698 et seq.), as alleged in the Operative Complaint, which includes those alleged in the PAGA letter sent to the LWDA in LWDA Case No. LWDA-CM-951100-23 by Named Plaintiff that arose at any time during the PAGA Period, including, but not limited to all the PAGA claims alleged in the Lawsuit, or that reasonably could have been based on the facts stated in the Lawsuit and in the relevant PAGA Notice, 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 reimburse business expenses; (6) failure to timely pay final wages; (7) failure to provide accurate itemized wage statements (8) failure to pay wages each period; and (9) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq.), as well as any claims under the California Labor Code for violations of Labor Code sections 200, 201, 202, 203, 204, 204.1, 208, 210, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802; applicable IWC Wage Orders; and California Code of Regulations, Title 8, sections 11000 et seq. as well as any claims that could have been pled which arise from the same or similar facts concerning the Plaintiff or the PAGA Employees. The PAGA Employees will be issued a check for their share of the PAGA Payments and will not have the opportunity to opt out of, or object to, the Individual PAGA Payments and release of the PAGA Claims set forth in this Paragraph. The PAGA Employees are bound by the release of the PAGA Claims regardless of whether they cash or deposit their PAGA Employee Payment.

What are my options in this matter?

Settlement Class Members' Four Options and Communications with the Settlement Administrator & Class Counsel. You have four (4) options under this Settlement. You may: (1) do nothing and remain in the Settlement Class and receive

an Individual Settlement Payment; (2) submit a request for exclusion to exclude yourself from or “Opt-Out” of the Settlement; (3) object to the Settlement; and (4) contest or dispute your workweeks or PAGA Employee Payment. All Opt-Out Requests, Objections and Workweek/PAGA Employee Payment Disputes must be submitted to the Settlement Administrator at: Settlement Administrator for *Coleman v. Flagstar Bank N.A., et al.*, P.O. Box 7208, Orange, CA 92863, Fax: (949) 209-2503 by United States Mail, facsimile and/or in other written form by no later than [RESPONSE DEADLINE DATE]. The Settlement Administrator is authorized to communicate with you if you exercise any of these options under this Settlement. Additionally, unless you clearly state that you do not wish to be contacted by Class Counsel, Class Counsel may contact you to resolve any uncertainties about the validity of any Opt-Out Requests, Objections or Workweek/PAGA Employee Payment Disputes you submit.

OPTION 1. (Do Nothing to Participating in the Settlement). If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment under the proposed Settlement, then **you do not need to take any action and you do not need to submit a claim form.** If you do nothing (for example, if you do not submit timely and valid Opt-Out Request), then you will remain in the Settlement Class, Class Counsel will represent you for the purposes of this Settlement at no direct cost and you will be deemed to have consented to release the Released Claims described above.

OPTION 2. (Submit a Request for Exclusion to Request to Exclude Yourself from or “Opt-Out” of the Settlement). If you do not want to be part of the proposed Settlement, then you must submit a timely and valid written request for exclusion or Opt-Out Request to the Settlement Administrator by [RESPONSE DEADLINE DATE] in the following manner: (1) your written request for exclusion must state your full name, address, telephone number, and social security number or employee identification number; (2) your written request for exclusion must state your intention to exclude yourself from or desire to opt-out of the Settlement (e.g. “I want to exclude myself from this settlement. I also understand that I retain all rights to sue the Defendants for the claims asserted in this lawsuit.”); (3) your written request for exclusion must be addressed to the Settlement Administrator; (4) your written request for exclusion must be signed by you or your lawful representative; and (5) your written request for exclusion must be postmarked no later than forty-five (45) calendar days from the mailing of the Class Notice.

If you submit a timely and valid written Opt-Out Request, then you will have no further role in the Action, you will not be entitled to any benefit (except for being entitled to an PAGA Employee Payment, if you qualify) under the proposed Settlement and you may not be entitled or permitted to assert or raise an objection to the Settlement.

If you do not submit an Opt-Out Request in the manner described above in time, then the Court may determine that you have not opted out, you may be deemed a Qualified Class Member and you may be bound by the release of Released Claims as described above and all other terms of the Settlement. Subject to review by Class Counsel, Defendants’ Counsel and the Court, the Settlement Administrator shall determine whether an Opt-Out Request is in writing and whether the writing lacks any of the five (5) enumerated characteristics stated above, which may render the request null and void.

OPTION 3. (Object to the Settlement). If you wish to object to the settlement, then you may object to it by submitting a timely and written Objection to the Settlement Administrator by [RESPONSE DEADLINE DATE] in the following manner: (1) your objection must state your full name, address, telephone number, and social security number or employee identification number; (2) your objection must describe, in clear and concise terms, the legal and factual arguments supporting your objection; (3) your objection must include a list identifying witness(es) you may call to testify at the Final Approval Hearing; (4) your objection must include true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing; (5) your objection must include your statement about whether your objection applies only to you, to a specific subset of the Settlement Class, or to the entirety of the Settlement Class; (6) your written objection must be addressed to the Settlement Administrator; (7) your written objection must be signed by you or your lawful representative; and (8) your objection must be postmarked no later than the Response Deadline. Class Counsel shall not represent you or assist you in objecting to the Settlement. However, you may hire an attorney at your own expense to represent you in your objection.

If Court finally approves the Settlement despite any objections, then you may and will likely be bound by the terms of the Settlement including the release of Released Claims as set forth above.

If you do not submit an objection in the manner described above in time, then the Court may determine that you have waived any objections and may not allow you to make any objection (whether by appeal or otherwise) to the proposed Settlement. Subject to review by Class Counsel, Defendants’ Counsel and the Court, the Settlement Administrator shall determine whether an objection is in writing and whether the writing lacks any of the eight (8) enumerated characteristics stated above, which may render the objection null and void.

OPTION 4. (Contest or Dispute Your Workweeks and/or Pay Period). If you dispute the workweeks used to calculate your Individual Settlement Payment or pay periods for your PAGA Employee Payment, it is your responsibility to supply documentation supporting your position. If you choose to dispute these calculations, you must send a written dispute, along with any evidence you have to support your calculation of pay periods worked, to the Settlement Administrator at the following address: Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863.

In order to be timely, any dispute must be postmarked to the Settlement Administrator on or before [REDACTED], 2025. If you timely dispute the above, the dispute shall be submitted to the Settlement Administrator, who shall examine the

records and either verify the calculation or provide a corrected calculation. The Settlement Administrator will make every effort to resolve any such disputes prior to final approval of this Settlement Agreement. The Settlement Administrator's determination of disputes will be final.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing [FINAL APPROVAL HEARING DATE & TIME] in Department S26 of the San Bernardino Superior Court, located at 247 West 3rd St, San Bernardino, California 92415 regarding the fairness, reasonableness and adequacy of the proposed Settlement. The Final Approval Hearing may be rescheduled without further notice to Class Members. **You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.**

If the Court grants final approval of the Settlement, then notice of the Final Judgment will be mailed to all Settlement Class Members when checks are mailed or included with your check.

How can I get additional information?

This Class Notice summarizes the Action and the basic terms of the Settlement. More details are in the Stipulation of Class and Representative Action Settlement, which, along with other records in the Action, may be available for inspection and/or copying during regular business hours at the Court Clerk's Office or by visiting the Court's Case Information and Document Sales webpage at: <https://sanbernardino.courts.ca.gov/divisions/civil/court-case-information-and-document-sales>. Please visit the Court's website for more information about accessing case related documents. You may also request a copy of the Settlement Agreement from Class Counsel, or contact Class Counsel with any questions, at the addresses and telephone numbers listed above.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

[FURTHER WITHHOLDINGS NOTICE]

The Settlement Administrator has identified you as a Settlement Class Member but has been unable to verify your social security number or tax identification number. If you do not complete the IRS Form W-9 enclosed with this Notice and return it to the Settlement Administrator, the Settlement Administrator may deduct additional withholdings from your Individual Settlement Payment. If you have any questions or concerns about completing and returning the enclosed IRS Form W-9, you may contact the Settlement Administrator to discuss other available options to verify your social security number or tax identification number.

[NEXT PAGE – IRS FORM W-9]

EXHIBIT “3”



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

June 19, 2025

CASE ASSUMPTIONS

Class Members	850
Opt Out Rate	1%
Opt Outs Received	18
Total Class Claimants	832
Subtotal Admin Only	\$10,694.30

Flat Fee Total \$10,000.00

For 850 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Case: Coleman v Desert Comm Bank, 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@lmfirm.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 **850** 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*	\$100.00	1	\$100.00
Call Center & Long Distance	\$2.00	119	\$238.00
NCOA (USPS)	\$160.00	1	\$160.00
Total			\$898.00

* Up to 120 days after disbursement

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

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.10	850	\$85.00
Notice Packet & Opt-Out Form	\$1.20	850	\$1,020.00
Estimated Postage (up to 2 oz.)*	\$0.70	850	\$595.00
Static Website	\$200.00	1	\$200.00
Total			\$2,100.00

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	5		\$275.00
Skip Tracing Undeliverables	\$1.00	120		\$120.00
Remail Notice Packets	\$1.00	117		\$117.00
Estimated Postage	\$0.70	117		\$81.90
Programming Undeliverables	\$50.00	2		\$100.00
Total				\$693.90

Database Programming / Processing Opt-Outs, Deficiencies or Disputes				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Database	\$150.00	1		\$150.00
Non Opt-Out Processing	\$200.00	1		\$200.00
Case Associate	\$55.00	4		\$220.00
Deficiency & Dispute Letters	\$10.00	0		\$0.00
Case Manager	\$85.00	2		\$170.00
Total				\$740.00

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	9		\$1,215.00
Mail Class Checks *	\$0.75	832		\$624.00
Estimated Postage	\$0.70	832		\$582.40
Total				\$3,016.40

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



PHOENIX

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)	\$2.00	148		\$296.00
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 & Escheating to the State of CA Included)	\$1,300.00	1		\$1,300.00
Total				\$3,246.00

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

Estimate Total: \$10,694.30



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 “4”