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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
FOR THE COUNTY OF SAN BERNARDINO

ELAINE COOPER, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

EXLSERVICE HOLDINGS, INC., a
Delaware Corporation; OVERLAND
SOLUTIONS, INC., a Delaware
Corporation; OVERLAND SOLUTIONS
LLC, an Entity Unknown;
EXLSERVICE.COM, LLC, a Delaware
Limited Liability Company; and DOES 1
through 20, inclusive;

Defendants.

Case No.: CIVSB2308059
*[Assigned to Hon. Joseph Ortiz, Dept S17, for
all purposes]*

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

Hearing

Date: September 12, 2024
Time: 8:30 a.m.
Dept.: S17

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.

COUNSEL'S EXPERIENCE

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

3. I have handled well over 500 employee vs. employer litigation matters during my 23 years in practice. Over the last 17 years, my practice has almost entirely consisted of representing employees, the majority of which has included class action and representative action wage and hour matters. In total, I have handled well over 250 class action and representative action wage/hour cases, and have been appointed by the court as class counsel and have received final court approval and judgment in over half of those actions to date, and anticipate receiving final approval in many more of those in the future.

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

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

6. I was named by the LA Times as one "Southern California Leading Lawyers" in the May 2023 issue of Consumer Attorney's of Southern California (a recognition given to 17

employment/labor law attorneys in 2023). Additionally, over the last 5+ consecutive years, I have been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that only 5% of lawyers receive.

BRIEF SUMMARY OF THE SETTLEMENT

7. Following a contested litigation process, Plaintiff and Defendants ExlService Holdings, Inc. Overland Solutions LLC, Overland Solutions, Inc. and ExlService.com, LLC (collectively, the “Parties”) finalized a Class Action and PAGA Settlement Agreement (the “Settlement Agreement” or “S.A.”), which is attached hereto as **Exhibit 1**.

8. The Settlement Agreement seeks to release and discharge Defendants from the claims brought against them in exchange for Defendants’ agreement to pay \$600,000 on a non-reversionary, non-claims made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or take any action, except for those who opt-out). As set forth in the motion and Settlement Agreement, Plaintiff seeks to represent “All current and former non-exempt, hourly-paid employees of Defendants ExlService Holdings, Inc. Overland Solutions LLC, Overland Solutions, Inc. and ExlService.com, LLC who worked in California at any time during the Class Period of April 24, 2019, through either (1) date of Preliminary Approval, or (2) the date by which Defendants elect to end the Class Period should the number of Workweeks exceed 16,009 before Preliminary Approval as provided in the Escalator Clause.”

9. Under the terms of the Settlement Agreement, Defendants will not oppose my firm’s application for a reasonable award of attorneys’ fees not to exceed one-third of the Settlement Amount, litigation expenses not to exceed \$25,000, Administrator Costs of \$8,000, PAGA penalties of \$50,000 (with 75% to the LWDA and 25% to the Aggrieved Employees on a pro rata basis), and a Service Payment of \$10,000 to Plaintiff Elaine Cooper (“Class Representative”). After subtracting the agreed-upon deductions from the Settlement Amount, approximately \$307,000 will be available to pay the individual settlement amounts to approximately the Class Members who do not opt-out of the settlement, as follows:

<i>Settlement Amount</i>	\$ 600,000.00
Attorneys’ Fees (1/3)	\$ 200,000.00

Litigation Costs (not to exceed)	\$ 25,000.00
Administrator Costs	\$ 8,000.00
PAGA Penalties	\$ 50,000.00
Class Representative Service Award	\$ 10,000.00
<i>Net Settlement Amount</i>	\$ 307,000.00

10. Assuming 300 Class Members, the average payment will be approximately \$1,023.33 (\$307,000 / 300). However, the actual payments will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. In addition, approximately 200 Aggrieved Employees will receive a share of the \$12,500 PAGA Penalties (25% of the \$50,000 allocation), calculated pro-rata based on 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 his/her estimated settlement payment and the number of Weeks or Pay Periods he/she is credited with working during the Class 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 21, 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. Then on April 24, 2023, Plaintiff commenced this Action by filing a class action complaint against Defendants for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5)

1 Failure to Reimburse Business Expenses; (6) Failure to Timely Pay Final Wages; (7) Failure to
2 Provide Accurate Itemized Wage Statements and; and (8) Unfair and Unlawful Competition.
3 Once the 65 day waiting period expired and the LWDA did not assert jurisdiction over the
4 PAGA claims, Plaintiff filed a First Amended Complaint against Defendants on July 6, 2023 that
5 added claims civil penalties under PAGA, including (9) Failure to Pay Minimum Wages, (10)
6 Failure to Pay Overtime Wages, (11) Failure to Provide Meal Periods, (12) Failure to Provide
7 Rest Breaks, (13) Failure to Reimburse Business Expenses, (14) Failure to Timely Pay Wages,
8 (15) Failure to Timely Pay Final Wages, and (16) Failure to Provide Accurate Itemized Wage
9 Statements. On March 15, 2024, Plaintiff filed the operative Second Amended Complaint
10 against Defendants, adding Class and PAGA causes of action for failure to pay vested vacation
11 wages.

12 15. Defendants retained counsel and immediately began to defend the case, including
13 denying the allegations in the Complaint, denying any failure to comply with the laws identified
14 in in the Complaint, and denying any and all liability for the causes of action alleged.
15 Defendants further denied that, for any purpose other than settling this Action, this Action is
16 appropriate for class action or representative treatment. However, after discussions among
17 counsel, the Parties agreed to attend private mediation prior to a contested class certification
18 process.

19 16. In preparation for mediation, the Parties informally exchanged documents and
20 information that allowed both sides to calculate the potential damages and evaluate potential risk,
21 including policies and procedures pertaining to the claims, statistics relating to the number of
22 current and former employees, number of shifts, pay periods worked and other things, and a
23 sampling of payroll and timekeeping records for Class Members. This information, which
24 included a 25 percent random and anonymized representative sampling of class time and pay
25 data for 235 Class Members, among other documents, which enabled both parties to take a deep
26 dive into the claims. Additionally, during this process, Plaintiff and her counsel analyzed,
27 researched, and investigated the potential issues, including matters related to the calculation of
28 damages, trial, and appellate issues and risks.

1 17. On January 22, 2024, Plaintiff and Defendants participated in mediation with
2 Tripper Ortman III, a well-respected employment mediator. After a full-day mediation, the
3 matter resolved with a mediator’s proposal, and then the Parties entered into the Settlement
4 Agreement. The Parties now seek the Court’s preliminary approval of the Settlement.

5 **SUMMARY OF THE CLAIMS AND DEFENSES**

6 18. Here, Plaintiff alleged numerous wage and hour violations on behalf of the Class
7 Members. However, Defendants vigorously contested and denied Plaintiff’s material allegations
8 on the merits and as to the propriety of a class action or PAGA representative action. Still,
9 Plaintiff believed there were several strong claims.

10 19. For instance, Plaintiff alleged Defendant failed to pay proper wages due to several
11 distinct wage violations. *First*, Plaintiff alleged that Defendants paid the Class on an hourly
12 basis plus other nondiscretionary compensation (such as bonuses and commissions), yet
13 Defendants failed to properly include this compensation in the regular rate calculations and
14 overtime compensation. *Second*, Plaintiff also alleged that Plaintiff and the Class Members were
15 required to perform off-the-clock work due to various reasons, including a computer-based
16 timekeeping system that was not accessible until employees completed various boot-up tasks (at
17 the beginning of shifts) and through which employees had to clock out and then perform various
18 shut down tasks (at the end of shifts). *Third*, Plaintiff alleged that Defendants failed to pay all
19 vested vacation owed to the Class. However, Defendants opposed each of these unpaid wage
20 claims on the merits and as to the propriety of class certification.

21 20. Plaintiff also alleged that Class Members were denied compliant meal and rest
22 breaks. However, Defendants argued they provided and made all mandated breaks available to
23 the Class, and any employee who did not take a break did so of their own volition. Thus,
24 Defendants argued these claims were without merit because, for each violation, a fact-finder
25 would have to determine why a break was noncompliant, because if it was by the employee’s
26 choice, no liability attaches to Defendants.

27 21. Finally, Plaintiff alleged a variety of other claims (all of which Defendants
28 disputed), such as the failure to reimburse expenses, failure to timely pay wages each period and

1 upon separation of employment, and failure to provide accurate itemized wage statements.

2 22. Despite the disputed nature of the claims, the Parties concluded that further
3 litigation of the Action would be protracted and expensive, and that it is desirable that the Action
4 be fully and finally settled to limit further risk, expense, and protracted litigation.

5 **EVALUATION OF THE SETTLEMENT**

6 23. In preparation for mediation, Peter Carlson, a senior associate with 10 years of
7 litigation experience within my office, and I formulated a damages model and risk analysis based
8 upon detailed data obtained through informal discovery and information exchanges. The
9 summary of the claims below is based on calculations by our expert and us, and the risks that we
10 potentially faced, giving significant credit to the defenses that Defendants raised or would likely
11 raise in further proceedings.

12 24. Following the informal exchange and other information provided by Defendants,
13 we estimated the following data points through the date of mediation: (1) 240 Class Members,
14 (2) 150 *former* Class Members for purposes of Labor Code § 203, (3) 14,434 workweeks, (4)
15 63,994 shifts worked, and (4) approximately 4,142 wage statements during the PAGA Period.

16 25. Here, Plaintiff alleged a variety of claims against Defendants, which boil down to
17 these categories: (1) unpaid wages, (2) meal and rest break violations, (3) waiting time penalties
18 under Labor Code §§ 201 – 203, (4) unreimbursed expenses, (5) wage statement penalties under
19 § 226(e), and (6) PAGA civil penalties for the same claims.

20 26. Plaintiff's unpaid wage claims had several distinct theories of liability, including:
21 (1) alleged off-the-clock work, (2) alleged regular rate issues (*i.e.*, failure to include bonuses and
22 commissions in overtime and other calculations) and failure to pay vested vacation. In total, we
23 calculated the value of the unpaid wage claims to be \$1.1 million. However, Defendants
24 vehemently opposed these unpaid wage claims on the merits and as to the propriety of class
25 certification. On this point, Defendants raised several strong defenses. Notably, Defendants
26 argued that it prohibited any "off-the-clock" work and these claims present the prototypical
27 example of the "individualized inquiries" for which class certification must be denied. As a
28 result, my office assigned a 40% risk at the class certification stage to the unpaid wage claims.

1 Then, as to the merits of the regular rate claim, Defendants argued and provided evidence
2 supporting its claims that they did, in fact, incorporate all earned bonuses in overtime and related
3 payments. And, as to the merits of the off-the-clock claim, Defendants argue this would fail
4 because it it maintained lawful policies that prohibited “off-the-clock work” for the class
5 members. And this would lead to the defense that a lawful written policy creates a “presumption
6 [that employees] are doing no work” when they are clocked out. *Brinker v. Superior Court*
7 (2012) 53 Cal.4th 1004, 1051. Thus, any claim for off-the-clock work would require
8 unmanageable individualized inquiries into why an employee failed to follow the company’s
9 lawful policy and whether that employee actually performed compensable (but unpaid) work.
10 Plaintiff also anticipated that Defendant would cite cases holding that an employer cannot be
11 liable for unpaid wages where the employee (1) fails to notify the employer of such time, and (2)
12 where the employer has no constructive or actual knowledge of the work being performed off-
13 the-clock. In total, when considering the risks and defenses, my office assigned a 50% risk on
14 the merits. Thus, the risk-adjusted value of the unpaid wage claims is \$330,000.

15 27. Plaintiff also alleged meal and rest break claims against Defendants. Based on the
16 pre-mediation analysis and investigation, and when incorporating violation rates from expert
17 review of the timekeeping records and other evidence, Class Counsel estimated a 35% violation
18 rate for meal periods and a 40% violation rate for rest breaks. And when applying the applicable
19 premium rate of \$25.00 under Labor Code § 226.7, this leads to maximum potential values of the
20 meal and rest break claims of \$559,948 and \$639,950, respectively. However, Defendants raised
21 numerous arguments in response to this claim, including that they maintained fully compliant
22 written policies and specifically authorized the Class Members to take meal and rest breaks,
23 meaning that no one had a reason or cause to miss a break or take a short/late break. Therefore,
24 Defendants asserted that a fact-finder would have to determine for each Class Member whether a
25 break was missed and why, and why a break was noncompliant or nonexistent, because if it was
26 the employee’s choice, no liability attaches to Defendants. These defenses are factored into
27 Plaintiff’s analysis in two ways. First, these issues raise questions regarding whether the meal
28 and rest break claims could be certified. Second, these defenses also go toward the merits given

1 the evidentiary question of proving the number of meal and rest violations. As such, Plaintiff
2 and Class Counsel considered these risks and defenses, along with the relatively low violation
3 rates and, for purposes of mediation and settlement, applied a 50% risk at class certification and
4 another 50% risk on the merits for each claim, leading to risk-adjusted values of \$139,987 for the
5 meal period claims and \$159,988 for rest break claims.

6 28. Then, as to the failure to reimburse business expense claim, my office calculated
7 the maximum potential value as \$144,340 based on \$10 of unreimbursed expenses per
8 workweek. However, there were many risks and defenses to this claim that primarily relate to
9 Defendants' claim that they explicitly agreed to reimburse all expenses, including home internet
10 expenses – which is the claim at issue here. Thus, Defendants argued that whether a Class
11 Member incurred expenses, and whether the same was “necessary” requires an individualized
12 inquiry that is not appropriate for class certification. When considering these risks and defenses,
13 we assigned a 30% risk at class certification and another 40% on the merits, leading to a risk-
14 adjusted value of \$60,622.

15 29. Plaintiff also alleged claims for waiting time penalties and wage statement
16 violations. And we calculated the maximum potential values to be \$956,250 for waiting time
17 penalties and \$410,100 for wage statement penalties. However, it was important to recognize
18 that these claims were entirely “derivative” of the claims above, meaning that they only had
19 merit if the claims for unpaid wages or meal/rest breaks were successful. There were also many
20 other risks and defenses to these claims. For example, as to the wage statement violations,
21 Defendants argued that the wage statements did not violate Labor Code § 226 and even if there
22 was a “technical” violation, that Plaintiff would be unable to prove the required “knowing and
23 intentional” and “injury” elements. Then, as to the waiting time penalty claim, Plaintiff's
24 valuation had to account for the fact that this claim was derivative of the unpaid wage and
25 meal/rest break claims (*e.g.*, the unpaid wage premiums) and, if those claims failed at
26 certification or on the merits, there would be no waiting time penalties owed, so the same risks
27 for those claims applied to this claim. Furthermore, even if the unpaid wage and/or meal/rest
28 claims succeeded at certification and on the merits, Plaintiff would have to prove that the

1 violations (if any existed) were “willful” under the meaning of Labor Code § 203. And, here,
2 Defendants argued that there could not be a finding of a “willful” violation since they had
3 compliant written policies, and any deviations therefrom were inadvertent and unintentional.
4 Therefore, we placed a 40% risk at class certification and 50% risk on the merits on each of these
5 claims, leading to risk-adjusted values of \$286,875 for waiting time penalties and \$123,030 for
6 wage statement penalties.

7 30. In sum, Plaintiff calculated *maximum* potential Class damages of approximately
8 \$3,800,000. However, that figure fails to consider the various risks at class certification, on the
9 merits, and the many evidentiary issues. When considering all relevant factors, Class Counsel
10 estimated the risk-adjusted value of the Class claims at just over \$1,100,000.

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

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

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

28 33. The settlement will result in a fair payment to each Class Member based on the

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

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

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

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

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

PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT

38. Plaintiff seeks an enhancement payment of \$10,000 for her service to the class,

1 which I believe is fair and warranted. Plaintiff came forward in an effort to effectuate a policy
2 and practice change that benefitted all other Class Members, and to recover unpaid wages. She
3 assumed significant risk in bringing this litigation—namely, had she lost, she could have been
4 ordered to pay Defendants’ costs.

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

12 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
13 **REQUESTED FEES AND COSTS**

14 40. As set forth above, I have handled over 500 class and representative actions, have
15 been appointed as class counsel and have successfully resolved over half of those cases, and
16 many others remain pending and will successfully resolve in the future.

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

21 42. It is my experience that attorney fee awards of one-third of a common fund
22 settlement is the standard in California. In this case, my firm agreed to seek one-third of the
23 Settlement Amount for attorneys’ fees. Defendants do not oppose this fee request. The fee is
24 further warranted because it is within the range of reasonableness typically awarded in class
25 actions. The costs are reasonably capped at \$25,000 and will be based on the actual amount of
26 costs incurred at the time of final approval.

27 **SETTLEMENT ADMINISTRATOR**

28 43. The parties request that the Court appoint Phoenix Settlement Administrators to

1 serve as the Settlement Administrator. Phoenix is experienced in administering class action
2 settlements and has provided a proposal to administer this settlement for a total of \$8,000, which
3 is attached hereto as **Exhibit 3**.

4 **SUBMISSION TO THE LWDA**

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

8 **EXHIBITS AND CONCLUSION**

9 45. A true and correct copy of the signed Settlement Agreement is attached as
10 **Exhibit 1**.

11 46. A true and correct copy of the proposed Class Notice is attached hereto as **Exhibit**
12 **2**.

13 47. A true and correct copy of the Phoenix's proposal to administer the Settlement is
14 attached as **Exhibit 3**.

15 48. A true and correct copy of the LWDA's confirmation of receipt of this Motion,
16 Declarations and exhibits is attached hereto as **Exhibit 4**.

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

21 I declare under penalty of perjury under the laws of the State of California that the
22 foregoing is true and correct. Executed on August 20, 2024, at Riverside, California.

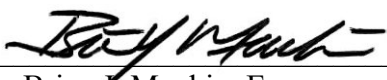
23
24 By: 
25 Brian J. Mankin, Esq.
26
27
28

EXHIBIT “1”

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ExlService Holdings, Inc., Overland Solutions, Inc.,
Overland Solutions LLC and ExlService.com, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

ELAINE COOPER, individually, on a
representative basis, and on behalf of all others
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Plaintiff,

v.

EXLSERVICE HOLDINGS, INC., a Delaware
Corporation; OVERLAND SOLUTIONS, INC., a
Delaware Corporation; OVERLAND
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DOES 1 through 20, inclusive,

Defendants.

Case No. CIVSB 2308059

*[Assigned for all purposes to Honorable
Joseph Ortiz, Dept. S17]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Complaint Filed: April 24, 2023

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Elaine Cooper (“Plaintiff”) and Defendants ExlService Holdings, Inc. Overland Solutions LLC, Overland Solutions, Inc. and ExlService.com, LLC (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Elaine Cooper v. ExlService Holdings, Inc. et al.*, initiated on April 24, 2023, and pending in the Superior Court of the State of California, County of San Bernardino, Case No. CVSB2308059.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former non-exempt, hourly-paid employees of Defendants who worked in California at any time during the PAGA Period.
- 1.5. “Class Members” means all current and former non-exempt, hourly-paid employees of Defendants who worked in California at any time during the Class Period.
- 1.6. “Class Counsel” means Brian J. Mankin and Peter J. Carlson of Lauby, Mankin & Lauby, LLP.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession, specifically, the Class Member’s full name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means April 24, 2019 through either (1) date of Preliminary Approval, or (2) the date by which Defendants elect to end the Class Period should be 16,010 or more before Preliminary Approval as provided in the Escalator Clause.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative, Plaintiff Elaine Cooper.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

- 1.15. “Complaint” refers to the operative second amended complaint in the Action, alleging Class Claims and representative PAGA Claims, including: CLASS ACTION CLAIMS - (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse Business Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to Provide Accurate Itemized Wage Statements; (9) Unfair and Unlawful Competition; PAGA CLAIMS - (10) Failure to Pay Minimum Wages; (11) Failure to Pay Overtime Wages; (12) Failure to Provide Meal Periods; (13) Failure to Provide Rest Periods; (14) Failure to Pay Vested Vacation; (15) Failure to Reimburse Business Expenses; (16) Failure to Timely Pay Final Wages; (17) Failure to Timely Pay Final Wages, and (18) Failure to Provide Accurate Itemized Wage Statements
- 1.16. “Court” means the Superior Court of California, County of San Bernardino.
- 1.17. “Defendants” means named Defendants ExlService Holdings, Inc. Overland Solutions LLC, Overland Solutions, Inc. and ExlService.com, LLC.
- 1.18. “Defense Counsel” means Rebecca Aragon and Jacob Krall of Littler Mendelson, P.C.
- 1.19. “Effective Date” is the (a) the date of entry of the Final Approval Order, if no objections are timely submitted; (b) if there are any objections, the last date to appeal the Final Approval Order and Final Judgment by the Court and no appeal is filed; or (c) if an appeal is filed, review or writ is sought from the Final Judgment, the day after the Final Judgment is affirmed or the appeal, review or writ is dismissed or denied, and the Final Judgment is no longer subject to further judicial review.
- 1.20. “Escalator Clause” means that if the actual number of Workweeks through Preliminary Approval Order exceeds 14,554 Workweeks by more than 10% (*i.e.*, 16,010 or more Workweeks), then at the option of Defendants, Defendants

1 shall either (a) increase the Gross Settlement Amount by the additional
2 Workweeks above 16,010 Workweeks on a pro rata basis (*e.g.*, if the number
3 of Workweeks is 11% greater than the 14,554, the Gross Settlement Amount
4 shall increase by 1%), or (b) elect to move the end dates for the Class Period to
5 the latest date before the Preliminary Approval Order that does not exceed
6 16,010 or more Workweeks.

7 1.21. “Final Approval Order” means the Court’s order granting final approval of the
8 Settlement.

9 1.22. “Final Approval Hearing” means the Court’s hearing on the Motion for Final
10 Approval of the Settlement.

11 1.23. “Final Judgment” means the Judgment Entered by the Court upon Granting
12 Final Approval of the Settlement.

13 1.24. “Gross Settlement Amount” means Six Hundred Thousand Dollars and Zero
14 Cents (\$600,000.00), which is the total amount Defendants agree to pay under
15 the Settlement, unless the Gross Settlement Amount increases pursuant to the
16 Escalator Clause, and excluding Defendants’ share of payroll taxes, which shall
17 be paid by Defendants separately and in addition to the Gross Settlement
18 Amount. The Gross Settlement Amount will be used to pay Individual Class
19 Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class
20 Counsel Fees, Class Counsel Expenses, Class Representative Service Payment
21 and the Administrator’s Expenses.

22 1.25. “Individual Class Payment” means the Participating Class Member’s pro rata
23 share of the Net Settlement Amount calculated according to the number of
24 Workweeks worked during the Class Period.

25 1.26. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share
26 of 25% of the PAGA Penalties calculated according to the number of Pay
27 Periods during the PAGA Period.
28

- 1.27. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.28. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.29. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.30. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.31. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.32. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.33. “PAGA Period” means April 21, 2022 through either (1) date of Preliminary Approval, or (2) the date by which Defendants elect to end the Class Period should the number of workweeks be 16,010 or more before Preliminary Approval as provided in the Escalator Clause. Once Defendants make their election, the workweeks in the PAGA Period will be converted to pay periods.
- 1.34. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 1.35. “PAGA Notice” means Plaintiff’s April 21, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.36. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, which shall be Fifty Thousand Dollars and

1 Zero Cents (\$50,000.00) subject to Court approval, allocated 25% to the
2 Aggrieved Employees (Twelve Thousand Five Hundred Dollars and Zero Cents
3 (\$12,500.00)), and 75% to the LWDA (Thirty-Seven Thousand Five Hundred
4 Dollars and Zero Cents (\$37,500.00)), in settlement of the Released PAGA
5 Claims.

6 1.37. "Participating Class Member" means a Class Member who does not submit a
7 valid and timely Request for Exclusion from the Settlement.

8 1.38. "Plaintiff" means Elaine Cooper, the named plaintiff in the Action.

9 1.39. "Released Class Claims" means the claims being released as described in
10 Paragraph 5.2 below.

11 1.40. "Released PAGA Claims" means the claims being released as described in
12 Paragraph 5.3 below.

13 1.41. "Preliminary Approval" means the Court's Order Granting Preliminary
14 Approval of the Settlement.

15 1.42. "Preliminary Approval Order" means the proposed Order Granting Preliminary
16 Approval and Approval of PAGA Settlement.

17 1.43. "Released Parties" means Defendants and any of each Defendants' respective
18 former and present parents, subsidiaries, affiliates, each of their former and
19 present officers, directors, employees, agents, representatives, administrators,
20 fiduciaries, and attorneys; and any other predecessors, successors, transferees,
21 and assigns of each of the persons and entities described herein.

22 1.44. "Request for Exclusion" means and refers to a valid and timely request for
23 exclusion from the settlement of the Released Class Claims, which may be
24 submitted by any Class Member, other than Plaintiff, pursuant to Paragraph 7.5
25 below.

26 1.45. "Response Deadline" means 30 calendar days after the Administrator mails the
27 Class Notice to Class Members, and shall be the last date on which Class
28 Members may mail Requests for Exclusion or Objections to the Settlement.

Class Members to whom a Class Notice is re-sent after having been returned undeliverable to the Administrator shall have an additional 10 calendar days beyond when the Response Deadline has expired.

1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.47. “Workweek” means any week during which a Class Member worked for Defendants in California for at least one day, during the Class Period.

2. RECITALS.

2.1. On April 24, 2023, Plaintiff commenced this Action by filing a complaint alleging causes of action against Defendants for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Reimburse Business Expenses; (6) Failure to Timely Pay Final Wages; (7) Failure to Provide Accurate Itemized Wage Statements and; and (8) Unfair and Unlawful Competition. On July 6, 2023, Plaintiff filed a First Amended Complaint against Defendants for civil penalties under PAGA for (9) Failure to Pay Minimum Wages, (10) Failure to Pay Overtime Wages, (11) Failure to Provide Meal Periods, (12) Failure to Provide Rest Breaks, (13) Failure to Reimburse Business Expenses, (14) Failure to Timely Pay Wages, (15) Failure to Timely Pay Final Wages, and (16) Failure to Provide Accurate Itemized Wage Statements. On March 15, 2024, Plaintiff filed a Second Amended Complaint against Defendants, adding Class and PAGA causes of action for failure to pay vested vacation wages. Class and PAGA causes of action for failure to pay vacation wages. The Second Amended Complaint is the operative complaint in the Action (the “Complaint”). Defendants deny the allegations in the Complaint, deny any failure to comply with the laws identified in in the Complaint, and deny any and all liability for the causes of action alleged.

Defendants further deny that, for any purpose other than settling this Action, this Action is appropriate for class action or representative treatment.

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

2.3. On January 22, 2024, the Parties participated in an all-day mediation presided over by experienced wage and hour class action mediator Tripper Ortman III, which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery relevant documents and class data from Defendants including (1) Plaintiff's personnel file, (2) Plaintiff's time and payroll records, (3) the employee handbooks in effect during the Class Period, (4) Defendant's additional policies and operating procedures regarding the (a) payment of wages, (b) the provision of meal and rest breaks, (c) timekeeping policies (including recording hours), (d) issuance of wage statements, (e) reimbursement of business expenses, (f) termination wages and (g) vacation pay, (5) and a 25 percent random and anonymized representative sampling of class time and pay data for all 235 Class Members from April 24, 2019 through November 3, 2023, among other documents. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").

2.5. The Court has not granted class certification.

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

2.7. Class Counsel have conducted a thorough investigation into the facts of this Action, including an extensive review of relevant documents and data, and has diligently pursued an investigation of the Class Members' claims against

Defendants. Based on Class Counsel's own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendants is fair, reasonable and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risks of significant delay, obtaining class certification, and the defenses asserted by Defendants. Defendants and Defense Counsel also agree that the Settlement is in the best interests of the Class Members. Counsel for the Parties further agree that the Settlement is fair, reasonable and adequate with respect to civil penalties sought pursuant to PAGA.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Escalator Clause and in Paragraph 8 below, Defendants shall pay a maximum total payment of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00), and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Ten Thousand Dollars and Zero Cents (\$10,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member

1 and/or Aggrieved Employee). Defendants will not oppose Plaintiff's request
2 for a Class Representative Service Payment that does not exceed this amount.
3 As part of the Motion for Final Approval, Plaintiff will seek Court approval for
4 any Class Representative Service Payments in accordance with the Preliminary
5 Approval Order. If the Court approves a Class Representative Service Payment
6 less than the amount requested, the Administrator will retain the remainder in
7 the Net Settlement Amount. The Administrator will pay the Class
8 Representative Service Payment using IRS Form 1099. Plaintiff assumes full
9 responsibility and liability for employee taxes owed on the Class Representative
10 Service Payment.

11 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than One-Third
12 of the Gross Settlement Amount, and a Class Counsel Litigation Expenses
13 Payment of not more than Twenty-Five Thousand Dollars (\$25,000.00).
14 Defendants will not oppose requests for these payments provided that do not
15 exceed these amounts. Plaintiff and/or Class Counsel will file a motion for
16 Class Counsel Fees Payment and Class Litigation Expenses Payment in
17 accordance with the Preliminary Approval Order. The amount set forth above
18 will cover all work performed and all fees and costs incurred to date, and all
19 work to be performed and all fees and costs to be incurred in the future in
20 connection with the approval by the Court of this Agreement, and the
21 administration of the Settlement. If the Court approves a Class Counsel Fees
22 Payment and/or a Class Counsel Litigation Expenses Payment less than the
23 amounts requested, the Administrator will allocate the remainder to the Net
24 Settlement Amount. Released Parties shall have no liability to Class Counsel
25 or any other Plaintiff's Counsel arising from any claim to any portion any Class
26 Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The
27 Administrator will pay the Class Counsel Fees Payment and Class Counsel
28 Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes

1 full responsibility and liability for taxes owed on the Class Counsel Fees
2 Payment and the Class Counsel Litigation Expenses Payment and holds
3 Defendants harmless, and indemnifies Defendants, from any dispute or
4 controversy regarding any division or sharing of any of these Payments.

5 3.2.3. To the Administrator: An Administrator Expenses Payment paid from the
6 Gross Settlement Amount not to exceed \$8,000, except for a showing of good
7 cause and as approved by the Court. To the extent the Administration Expenses
8 are less or the Court approves payment less than a low bid from a respected
9 administrator in the industry or as otherwise agreed between the Parties, the
10 Administrator will retain the remainder in the Net Settlement Amount and shall
11 have no claim against Plaintiff, Class Counsel, Defendants or Defense Counsel
12 for the difference.

13 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated
14 by (a) dividing the Net Settlement Amount by the total number of Workweeks
15 worked by all Participating Class Members during the Class Period and (b)
16 multiplying the result by each Participating Class Member's Workweeks.

17 3.2.4.1. Tax Allocation of Individual Class Payments. fifteen percent (15%) of
18 each Participating Class Member's Individual Class Payment will be
19 allocated to settlement of wage claims (the "Wage Portion"). The Wage
20 Portions are subject to tax withholding and will be reported on an IRS
21 W-2 Form. The eighty-five percent (85%) of each Participating Class
22 Member's Individual Class Payment will be allocated to settlement of
23 claims for alleged interest and penalties (the "Non-Wage Portion"). The
24 Non-Wage Portions are not subject to wage withholdings and will be
25 reported on IRS 1099 Forms. Participating Class Members assume full
26 responsibility and liability for any employee taxes owed on their
27 Individual Class Payment. The Administrator shall also be responsible
28

1 for submitting Defendant's share of payroll taxes to the appropriate
2 government agencies on behalf of Defendants.

3 3.2.4.2.Effect of Non-Participating Class Members on Calculation of Individual

4 Class Payments. Non-Participating Class Members will not receive any
5 Individual Class Payments. The Administrator will retain amounts
6 equal to their Individual Class Payments in the Net Settlement Amount
7 for distribution to Participating Class Members on a pro rata basis.

8 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
9 Fifty Thousand Dollars and Zero Cents (\$50,000.00), to be paid from the Gross
10 Settlement Amount, with 75% (Thirty-Seven Thousand Five Hundred Dollars
11 and Zero Cents (\$37,500.00) allocated to the LWDA PAGA Payment, and 25%
12 (Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00))
13 allocated to the Individual PAGA Payments. The Aggrieved Employees shall
14 release the Released PAGA Claims in their entirety as set forth in Paragraph
15 5.3 below and may not opt out of or object to the Released PAGA Claims.

16 3.2.5.1.The Administrator will calculate each Individual PAGA Payment by (a)
17 dividing the amount of the Aggrieved Employees' 25% share of PAGA
18 Penalties (Twelve Thousand Five Hundred Dollars and Zero Cents
19 (\$12,500.00) by the total number of PAGA Period Pay Periods worked
20 by all Aggrieved Employees during the PAGA Period and (b)
21 multiplying the result by each Aggrieved Employee's PAGA Period Pay
22 Periods. Aggrieved Employees assume full responsibility and liability
23 for any taxes owed on their Individual PAGA Payment.

24 3.2.5.2.If the Court approves PAGA Penalties of less than the amount
25 requested, the Administrator will allocate the remainder to the Net
26 Settlement Amount. The Parties agree that the Individual PAGA
27 Payments distributed to each Aggrieved Employee will be treated
28

entirely as civil penalties. The Administrator will report the Individual
PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of Defendants' records for 235 Class Members from April 24, 2019 through November 3, 2023, and the Parties' extrapolations of the class members and workweeks at issue, the Parties reached a Settlement at mediation. The Parties extrapolated that there were approximately 235 Class Members who collectively worked approximately 14,554 Workweeks, and approximately 151 Aggrieved Employees who worked approximately 4,031 of PAGA Pay Periods.

4.2. Class Data. Not later than forty-five (45) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator (along with any of its agents) must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Specifically, the Settlement Administrator (along with any of its agents) 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 Class Counsel; (2) not disclose the PII to third parties, including agents or subcontractors, to Class Counsel or to Plaintiff, without the Defendants' consent; (3) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; and (4) promptly provide the Parties with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction. Defendants have a continuing duty to immediately notify the Administrator if it discovers that the

1 Class Data omitted class member identifying information and to provide
2 corrected or updated Class Data as soon as reasonably feasible. Without any
3 extension of the deadline by which Defendants must send the Class Data to the
4 Administrator, the Parties and their counsel will expeditiously use best efforts,
5 in good faith, to reconstruct or otherwise resolve any issues related to missing
6 or omitted Class Data.

7 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
8 Settlement Amount, and also fund the amounts necessary to fully pay
9 Defendants' share of payroll taxes by transmitting the funds to the
10 Administrator no later than 25 days after the Effective Date. Except as
11 otherwise provided for in this Agreement, the delivery of the Gross Settlement
12 Amount and the employer's share of payroll taxes to the Administrator shall
13 constitute full, final, and complete discharge, settlement, and compromise of
14 the funding obligation of Defendants under this Settlement. Once Defendants
15 have made such payments, it will be deemed to have satisfied all terms and
16 conditions for funding this Settlement, shall be entitled to all protections
17 afforded to Defendants under this Settlement, including the Releases set forth
18 herein. As Defendants, pursuant to Section 4.3 supra, are deemed to have
19 satisfied all funding conditions under this Settlement upon timely delivery of
20 the Gross Settlement Amount and the Employer's share of payroll taxes to the
21 Settlement Administrator, Defendants, Class Counsel and Plaintiff will not be
22 held liable for any errors in payment or delays in issuing or delivering payment
23 made by the Settlement Administrator provided that all Parties agree to the
24 preliminary calculations and final calculations, and provided that all
25 information, including the Class Data, that Defendants provide to the
26 Settlement Administrator is done correctly and without errors or omissions. If
27 an inadvertent error is discovered, Defendants will promptly work with the
28 Settlement Administrator to address the same.

1 4.4. Payments from the Gross Settlement Amount. Within ten (10) calendar days
2 after Defendants fund the Gross Settlement Amount, the Administrator will
3 mail checks for all Individual Class Payments, all Individual PAGA Payments,
4 the LWDA PAGA Payment, the Administration Expenses Payment, the Class
5 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and
6 the Class Representative Service Payment. Disbursement of the Class Counsel
7 Fees Payment, the Class Counsel Litigation Expenses Payment and the Class
8 Representative Service Payment shall not precede disbursement of Individual
9 Class Payments and Individual PAGA Payments.

10 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
11 Individual PAGA Payments and send them to the Participating Class Members
12 and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face
13 of each check shall prominently state the date (typically 180 calendar days after
14 the date of mailing) by which the check must be cashed or deposited. The
15 Administrator will cancel all checks not cashed by the void date. The
16 Administrator will send checks for Individual Class Payments to all
17 Participating Class Members (including those for whom Class Notice was
18 returned undelivered). The Administrator will send checks for Individual
19 PAGA Payments to all Aggrieved Employees including Non-Participating
20 Class Members who qualify as Aggrieved Employees (including those for
21 whom Class Notice was returned undelivered). The Administrator may send
22 Participating Class Members a single check combining the Individual Class
23 Payment and the Individual PAGA Payment. Before mailing any checks, the
24 Settlement Administrator must update the recipients' mailing addresses using
25 the National Change of Address Database.

26 4.4.2. The Administrator must conduct a Class Member Address Search for all other
27 Class Members whose checks are returned undelivered without USPS
28 forwarding address. Within seven (7) calendar days of receiving a returned

1 check the Administrator must re-mail checks to the USPS forwarding address
2 provided or to an address ascertained through the Class Member Address
3 Search. The Administrator need not take further steps to deliver checks to Class
4 Members whose re-mailed checks are returned as undelivered. The
5 Administrator shall promptly send a replacement check to any Class Member
6 whose original check was lost or misplaced, requested by the Class Member
7 prior to the void date.

8 4.4.3. For any Class Member whose Individual Class Payment check or Individual
9 PAGA Payment check is uncashed and cancelled after the void date, the
10 Administrator shall transmit the funds represented by such checks to the
11 California Controller's Unclaimed Property Fund in the name of the Class
12 Member thereby leaving no "unpaid residue" subject to the requirements of
13 California Code of Civil Procedure Section 384, subd. (b).

14 4.4.4. The payment of the Class Representative Service Payment, Individual Class
15 Payments, and Individual PAGA Payments shall not be utilized to calculate any
16 additional benefits under any benefit plans to which any Plaintiff, Participating
17 Class Members and/or Aggrieved Employee may be eligible including, but not
18 limited to: retirement plans, profit-sharing plans, bonus plans, 401(k) plans,
19 stock purchase plans, vacation plans, paid time off, sick leave plans, PTO plans,
20 pension plans, or any other benefit plan. It is the Parties' intention that this
21 Agreement will not affect any rights, contributions, or amounts to which
22 Plaintiff, Participating Class Members and Aggrieved Employees may be
23 entitled under any benefit plans.

24 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross
25 Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
26 Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims
27 against all Released Parties as follows:
28

1 5.1. Plaintiff's Release. In consideration of Defendants' promises and agreements
2 as set forth herein, Plaintiff and her respective former and present spouses,
3 representatives, agents, attorneys, heirs, administrators, successors, and assigns
4 generally, release and discharge Released Parties from all claims, transactions,
5 or occurrences, including, but not limited to: (a) all claims that were, or
6 reasonably could have been, alleged, based on the facts contained, in the
7 Complaint (including but not limited to any and all any claims for wages,
8 bonuses, severance pay, vacation pay, penalties, employment benefits, stock
9 options, violation of any personnel policy, any and all claims arising from her
10 employment or damages of any kind whatsoever, arising out of any common
11 law torts, contracts, express or implied, any covenant of good faith and fair
12 dealing, or any federal, state, or other governmental statute, executive order,
13 regulation or ordinance, or common law, or any other basis whatsoever, to the
14 fullest extent provided by law, and (b) all PAGA claims that were, or reasonably
15 could have been, alleged based on facts contained in the Complaint, Plaintiff's
16 PAGA Notice or released under 5.2 and 5.3, below. ("Plaintiff's Release").
17 Plaintiff's Release does not extend to any claims or actions to enforce this
18 Agreement, or to any claims for vested benefits, unemployment benefits,
19 disability benefits, social security benefits, workers' compensation benefits that
20 arose at any time, or based on occurrences outside the Class Period. Plaintiff
21 acknowledges that Plaintiff may discover facts or law different from, or in
22 addition to, the facts or law that Plaintiff now knows or believes to be true but
23 agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all
24 respects, notwithstanding such different or additional facts or Plaintiff's
25 discovery of them.

26 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
27 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes to
28 the fullest extent permitted by law the provisions, rights, and benefits, if any, of

1 section 1542 of the California Civil Code from the beginning of her
2 employment with Defendants through the end of the Class Period, which reads:
3 **A general release does not extend to claims that the creditor or releasing**
4 **party does not know or suspect to exist in his or her favor at the time of**
5 **executing the release, and that if known by him or her would have**
6 **materially affected his or her settlement with the debtor or Released Party.**
7 Plaintiff understands that Section 1542 gives the right not to release existing
8 claims of which she is not now aware, unless Plaintiff voluntarily chooses to
9 waive this right. Having been so apprised, Plaintiff nevertheless voluntarily
10 waives the rights described in Section 1542 and elects to assume all risks for
11 unknown claims that now exist in her favor. The release of the claims of
12 Plaintiff as set forth in this Paragraph is a condition precedent to enforcement
13 of this Agreement.

14 5.2. Release by Participating Class Members: Upon the date the Settlement is
15 funded, all Participating Class Members, on behalf of themselves and their
16 respective former and present representatives, agents, attorneys, heirs,
17 administrators, successors, and assigns, release Released Parties from all claims
18 and causes of action pleaded in the Complaint, and those which could
19 reasonably have been alleged based on the facts, allegations, and/or claims
20 stated in the Complaint for work performed during the Class Period, including
21 claims for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime
22 Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods;
23 (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse Business
24 Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to Provide
25 Accurate Itemized Wage Statements; (9) Unfair and Unlawful Competition;
26 including claims predicated on the same or similar facts and/or claims alleged
27 in the Complaint as well as any claims that reasonably could have been pled
28 which arise from the facts alleged in the Complaint concerning the Plaintiff or

1 the putative class, including any state or federal claims for unpaid wages
2 (including minimum, regular, vacation and overtime wages), unlawful rounding
3 of employee time punches, untimely wage payments both during and at the end
4 of employment, non-compliant meal periods, non-compliant rest periods, non-
5 compliant wage statements, failure to reimburse and indemnify business
6 expenses, failure to correctly calculate the regular rate of pay, and claims for
7 interest, penalties (including but not limited to waiting time penalties), or
8 premiums in connection therewith, as well as any claims under federal law, the
9 California Labor Code and California Industrial Welfare Commission Wage
10 Orders that were alleged or which reasonably could have been alleged under
11 the facts, allegations and/or claims pleaded in the PAGA Letter or the Class
12 Lawsuit. Finally, to the extent required by law, the cashing of the settlement
13 check by the Settlement Class Member shall be deemed to be an opt-in for
14 purposes of releasing Released Parties from any claims predicated under the
15 Fair Labor Standards Act (“FLSA”) that could have been alleged under the
16 facts, allegations and/or claims pleaded in the Operative Complaint. The
17 Settlement Administrator shall include a legend on the settlement check stating,
18 “By cashing this check, and to the extent required by law, I am opting into the
19 settlement in Elaine Cooper v. ExlService Holdings, Inc. et al., San Bernardino
20 Superior Court, Case No. CVSB2308059, under FLSA, 29 U.S.C. § 216(b), and
21 releasing the Released Claims described in the Settlement Agreement.” The
22 claims set forth in Subparagraph 5.2 hereinabove shall be collectively referred
23 to as the “Released Class Claims.

24 5.3. Participating Class Members do not release any other claims, including claims
25 for vested benefits, wrongful termination, violation of the Fair Employment
26 and Housing Act, unemployment insurance, disability, social security,
27 workers’ compensation, or claims based on facts occurring outside the Class
28 Period.

1 5.4. Release by Aggrieved Employees: Upon the date the Settlement is funded, all
2 Aggrieved Employees are deemed to have fully, finally, and forever released,
3 settled, compromised, relinquished and discharged on behalf of themselves
4 and their respective former and present representatives, agents, attorneys,
5 heirs, administrators, successors, and assigns, the Released Parties from all
6 claims for PAGA penalties that were alleged, or reasonably could have been
7 alleged, based on the PAGA Period facts stated in the Operative Complaint,
8 and PAGA Notice, including, e.g., any and all claims involving any and all
9 claims involving (1) Failure to Pay Minimum Wages; (2) Failure to Pay
10 Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide
11 Rest Periods; (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse
12 Business Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to
13 Timely Pay Final Wages, (9) Failure to Provide Accurate Itemized Wage
14 Statements, (10) Failure to pay sick pay and (11) all other claims for civil
15 penalties recoverable under PAGA based on the facts or claims alleged in
16 Plaintiff's PAGA Notice to the LWDA and the Complaint. The claims set
17 forth in Subparagraph 5.3 hereinabove shall be collectively referred to as the
18 "Released PAGA Claims."

19 **6. MOTION FOR PRELIMINARY APPROVAL.** Plaintiff shall prepare and file a motion for
20 preliminary approval ("Motion for Preliminary Approval").

21 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense
22 Counsel a draft of the Motion for Preliminary Approval, the Proposed Order
23 and Administrator's declaration 5 days before the deadline to file the Motion.
24 Defendants' counsel shall provide any proposed revisions 1 day before the
25 filing deadline.

26 6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion
27 for Preliminary Approval and/or the supporting declarations and documents,
28 Class Counsel and Defense Counsel will expeditiously work together on behalf

of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

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

7.4. Notice to Class Members.

7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data, and whether the Escalator Clause has been triggered. If the Escalator Clause has been triggered, Defendants shall inform the Administrator and Class Counsel of their selected option for increasing the Gross Settlement

1 Amount or shortening the Class Period within (3) business days to ensure that
2 the Administrator has time to finalize the Class Notice prior to mailing.

3 7.4.2. Using best efforts to perform as soon as possible, and in no event later than
4 fourteen (14) calendar days after receiving the Class Data, the Administrator
5 will send to all Class Members identified in the Class Data, via first-class
6 United States Postal Service (“USPS”) mail, the Class Notice, substantially in
7 the form attached to this Agreement as Exhibit A. The first page of the Class
8 Notice shall prominently estimate the dollar amounts of any Individual Class
9 Payment and/or Individual PAGA Payment payable to the Class Member, and
10 the number of Workweeks and PAGA Pay Periods (if applicable) used to
11 calculate these amounts. Before mailing Class Notices, the Administrator shall
12 update Class Member addresses using the National Change of Address database
13 maintained by the United States Postal Service.

14 7.4.3. Not later than three (3) business days after the Administrator’s receipt of any
15 Class Notice returned by the USPS as undelivered, the Administrator shall re-
16 mail the Class Notice using any forwarding address provided by the USPS. If
17 the USPS does not provide a forwarding address, the Administrator shall
18 conduct an advanced skip trace Class Member Address Search, and re-mail the
19 Class Notice to the most current address obtained. The Administrator has no
20 obligation to make further attempts to locate or send Class Notice to Class
21 Members whose Class Notice is returned by the USPS a second time.

22 7.4.4. The deadlines for Class Members’ written objections, Challenges to
23 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended
24 an additional ten (10) calendar days beyond the Response Deadline otherwise
25 provided in the Class Notice for all Class Members whose notice is re-mailed.
26 The Administrator will inform the Class Member of the extended deadline with
27 the re-mailed Class Notice.
28

1 7.4.5. If the Administrator, Defendants, or Class Counsel is contacted by or otherwise
2 discovers any persons who believe they should have been included in the Class
3 Data and should have received Class Notice, the Parties will expeditiously meet
4 and confer in person or by telephone, and in good faith. in an effort to agree on
5 whether to include them as Class Members. If the Parties agree, such persons
6 will be Class Members entitled to the same rights as other Class Members, and
7 the Administrator will send, via email or overnight delivery, a Class Notice
8 requiring them to exercise options under this Agreement not later than ten (10)
9 calendar days after receipt of Class Notice, or the deadline dates in the Class
10 Notice, which ever are later.

11 7.5. Requests for Exclusion (Opt-Outs).

12 7.5.1. Any Class Member, other than Plaintiff, may request to be excluded from the
13 Class by submitting a “Request for Exclusion” to the Administrator,
14 postmarked on or before the Response Deadline. The Request for Exclusion
15 should state: I WISH TO BE EXCLUDED FROM THE CLASS IN THE
16 EXLSERVICE HOLDINGS LAWSUIT. I UNDERSTAND THAT IF I ASK
17 TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT
18 RECEIVE MY INDIVIDUAL CLASS PAYMENT FROM THIS LAWSUIT.
19 To be valid, any Request for Exclusion must include the full name, address,
20 telephone number, last four digits of the social security number or date of birth,
21 and signature of the Class Member requesting exclusion. The Request for
22 Exclusion must be returned by mail to the Administrator at the specified address
23 set forth in the Notice. Any such Request must be made in accordance with the
24 terms set forth in the Notice. A Request for Exclusion will be timely only if
25 postmarked by the Response Deadline, unless the Parties otherwise agree in
26 writing. Any Class Member who timely requests exclusion in compliance with
27 these requirements: (i) will not have any rights under this Settlement Agreement
28 with respect to the Released Class Claims, including the right to object, appeal,

1 or comment on the Settlement; (ii) will not be entitled to receive any payments
2 under this Settlement Agreement for the Released Class Claims; and (iii) will
3 not be bound by this Settlement Agreement, or the judgment, with respect to
4 the Released Class Claims. Any Aggrieved Employee who requests timely
5 exclusion will still be subject to the Released PAGA Claims to the fullest extent
6 permitted by law and shall be sent his or her share of PAGA Penalties.

7 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
8 fails to contain all the information specified in the Class Notice. The
9 Administrator shall accept any Request for Exclusion as valid if the
10 Administrator can reasonably ascertain the identity of the person as a Class
11 Member and the Class Member's desire to be excluded. The Administrator's
12 determination shall be final and not appealable or otherwise susceptible to
13 challenge. If the Administrator has reason to question the authenticity of a
14 Request for Exclusion, the Administrator may demand additional proof of the
15 Class Member's identity. The Administrator's determination of authenticity
16 shall be final and not appealable or otherwise susceptible to challenge.

17 7.5.3. Every Class Member who does not submit a timely and valid Request for
18 Exclusion is deemed to be a Participating Class Member under this Agreement,
19 entitled to all benefits and bound by all terms and conditions of the Settlement,
20 including the Participating Class Members' Releases under Paragraphs 5.2 and
21 5.3 of this Agreement, regardless of whether the Participating Class Member
22 actually receives the Class Notice or objects to the Settlement.

23 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is
24 a Non-Participating Class Member and shall not receive an Individual Class
25 Payment or have the right to object to the class action components of the
26 Settlement. Non-Participating Class Members who are Aggrieved Employees
27 are deemed to release the Released PAGA Claims and are eligible for an
28 Individual PAGA Payment. The Aggrieved Employees are bound by the release

1 of the Released PAGA Claims regardless of whether they cash or deposit their
2 Aggrieved Employees Payment.

3 7.6. Challenges to Calculation of Workweeks. The Class Notice will inform Class
4 Members of their estimated Individual Class Payment and the number of
5 Workweeks during the Class Period and PAGA Pay Periods. Each Class
6 Member shall have until the Response Deadline (plus an additional ten (10)
7 calendar days for Class Members whose Class Notice is re-mailed) to challenge
8 the number of Class Workweeks and PAGA Pay Periods (if any) allocated to
9 the Class Member in the Class Notice. The Class Member may challenge the
10 allocation by communicating with the Administrator via U.S. mail. The
11 Administrator must encourage the challenging Class Member to submit
12 supporting documentation. In the absence of any contrary documentation, the
13 Administrator is entitled to presume that the Workweeks contained in the Class
14 Notice are correct so long as they are consistent with the Class Data. The
15 Administrator's determination of each Class Member's allocation of
16 Workweeks and/or Pay Periods shall be final and not appealable or otherwise
17 susceptible to challenge. The Administrator shall promptly provide copies of
18 all challenges to calculation of Workweeks and/or Pay Periods to Defense
19 Counsel and Class Counsel and the Administrator's determination the
20 challenges."

21 7.7. Objections to Settlement.

22 7.7.1. Only Participating Class Members may object to the class action components
23 of the Settlement and/or this Agreement, including contesting the fairness of
24 the Settlement, and/or amounts requested for the Class Counsel Fees Payment,
25 Class Counsel Litigation Expenses Payment and/or Class Representative
26 Service Payment.

27 7.7.2. To object, a Participating Class Member shall inform the Administrator, in
28 writing, of his or her objection which must be mailed and postmarked by the

1 Response Deadline at the address set forth in the Notice. Such objection shall
2 include the objecting Class Member's full name, address, telephone number,
3 last four digits of the social security number or date of birth, signature, and dates
4 of employment with Defendants, in addition to the case name and number, the
5 basis for the objection, including any legal support and each specific reason in
6 support of the objection, as well as any documentation or evidence in support
7 thereof, and, if the Objecting Class Member is represented by counsel, the name
8 and address of his or her counsel. The Administrator shall provide objections,
9 if any, to Class Counsel and Defense Counsel within three (3) calendar days of
10 receipt, and the Administrator shall attach the same to its declaration of due
11 diligence and file with the Court prior to the Final Approval Hearing. In the
12 alternative, Participating Class Members may appear in Court (or hire an
13 attorney to appear in Court) to present verbal objections at the Final Approval
14 Hearing. Any Participating Class Member who files an objection or objects in
15 person remains eligible to receive monetary compensation from the settlement.
16 If a Class Member files an objection *and* submits a timely Request for
17 Exclusion, the latter shall be honored and the Class Member's objection shall
18 be deemed invalid. Plaintiff and Defendants shall not be responsible for any
19 fees, costs, or expenses incurred by any Class Member and/or his or her counsel
20 related to any objections to the settlement. Submitting an objection does not
21 preserve the right to appeal a final judgment. Rather, the right to appeal is
22 preserved by becoming a party of record by timely and properly intervening or
23 filing a motion to vacate the judgment under California Code of Civil Procedure
24 § 663. Class Members and Aggrieved Employees may not object to or opt-out
25 of the Settlement with respect to the Released PAGA Claims. In the alternative,
26 Participating Class Members may appear in Court (or hire an attorney to appear
27 in Court) to present verbal objections at the Final Approval Hearing.
28

1 7.8. Administrator Duties. The Administrator has a duty to perform or observe all
2 tasks to be performed or observed by the Administrator contained in this
3 Agreement or otherwise, including the following:

4 7.8.1. Notice. The Administrator will mail the Notice as directed by the Court;

5 7.8.2. Consultation with Parties. The Administrator will consult with counsel for the
6 Parties concerning any relevant issue, including (without limitation) the
7 estimated amounts of approximate Individual Class Payments, Individual
8 PAGA Payments, and the acceptance of any late or deficient disputes;

9 7.8.3. Calculating Payments. The Administrator will calculate the Individual Class
10 Payments, Individual PAGA Payments, and the PAGA Payment to the LWDA;

11 7.8.4. Website, and Toll-Free Number. The Administrator will establish and maintain
12 and use an internet website to post information of interest to Class Members
13 including the date, time and location for the Final Approval Hearing and copies
14 of the Settlement Agreement, Motion for Preliminary Approval which will
15 include Class Counsel Fees Payment, Class Counsel Litigation Expenses
16 Payment and Class Representative Service Payment, the Preliminary Approval,
17 the Class Notice, the Motion for Final Approval, the Final Approval and the
18 Judgment. The Administrator will also maintain a toll-free telephone number
19 to receive Class Member calls.

20 7.8.5. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
21 promptly review on a rolling basis Requests for Exclusion to ascertain their
22 validity. Not later than five (5) calendar days after the Response Deadline, the
23 Administrator shall email a list to Class Counsel and Defense Counsel
24 containing (a) the names and the last four digits of the social security numbers
25 of Class Members who have timely submitted valid Requests for Exclusion
26 ("Exclusion List"); (b) the names and the last four digits of the social security
27 numbers of Class Members who have submitted invalid Requests for Exclusion;
28

(c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

7.8.7. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.8. Administrator’s Declaration. Not later than fourteen (14) calendar days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or

requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.9. Wire Instructions. The Administrator will notify Counsel for Defendants of the wiring instructions to fund the Settlement Amount as approved by the Court.

7.8.10. Checks. The Administrator will prepare the checks containing the Individual Class Payments and include a legend on each settlement check stating "By cashing this check, and to the extent required by law, I am opting into the settlement in *Elaine Cooper v. ExlService Holdings, Inc. et al.*, San Bernardino Superior Court, Case No. CVSB2308059, under FLSA, 29 U.S.C. § 216(b), and releasing the Released Class Claims described in the Settlement Agreement."

7.8.11. Distribution of Payments. The Administrator will distribute and pay the Class Representative Service Payment, Individual Class Payments, Individual PAGA Payments, the PAGA Payment to the LWDA, and fees and costs awarded to Class.

7.8.12. Taxes. The Administrator will issue tax forms and address employer and employee-side payroll taxes.

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

7.8.14. Other Tasks. The Administrator will address such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform, including responding to questions from Class Members

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** The settlement reached at mediation was based on the Parties' estimated extrapolation that the Class Members worked 14,554 workweeks through the January 22, 2024 mediation date. If the number of workweeks through Preliminary Approval does not exceed 14,554 workweeks by more than 10% (i.e., 16,010 or more Workweeks), then the Class Period ends at the date of Preliminary Approval. If 16,010 or more workweeks are reached before Preliminary Approval, then, in accordance with the Escalator Clause, Defendants may elect to extend the Class Period to a date on or prior to Preliminary Approval subject to the Gross Settlement Amount being increased by the additional workweeks of 16,010 or more *pro rata* (e.g., if the number of workweeks is 11% greater than 14,554, Defendants will have the option to increase the Gross Settlement Amount by 1%).

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds five percent (5%) of the total of all Class Members, Defendant may, but is not obligated, elect to rescind, void, and withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. In the event that Defendants elect to rescind/void the Settlement Agreement, Defendant shall provide written notice of such rescission to Class Counsel. Such rescission shall have the same effect as a termination of the Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force

1 or effect. The Parties specifically agree not to solicit opt-outs, directly or indirectly, through
2 any means.

3 **10. MOTION FOR FINAL APPROVAL.** As set forth in the Preliminary Approval Order,
4 Plaintiff will file a Motion for Final Approval of the Settlement that includes a request for
5 approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final
6 Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff
7 shall provide drafts of these documents to Defense Counsel not later than seven (7) calendar
8 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will
9 expeditiously meet and confer in person or by telephone, and in good faith, to resolve any
10 disagreements concerning the Motion for Final Approval.

11 10.1. Response to Objections. Each Party retains the right to respond to any objection
12 raised by a Participating Class Member, including the right to file responsive
13 documents in Court no later than five (5) court days prior to the Final Approval
14 Hearing, or as otherwise ordered or accepted by the Court.

15 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions
16 Final Approval on any material change to the Settlement (including, but not
17 limited to, the scope of release to be granted by Class Members), the Parties
18 will expeditiously work together in good faith to address the Court’s concerns
19 by revising the Agreement as necessary to obtain Final Approval. The Court’s
20 decision to award less than the amounts requested for the Class Representative
21 Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
22 Expenses Payment and/or Administrator Expenses Payment shall not constitute
23 a material modification to the Agreement within the meaning of this paragraph.

24 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of
25 Judgment, the Court will retain jurisdiction over the Parties, Action, and the
26 Settlement solely for purposes of (i) enforcing this Agreement and/or
27 Judgment, (ii) addressing settlement administration matters, and (iii)
28 addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement or file a motion to intervene, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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

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

12. **ADDITIONAL PROVISIONS.**

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Complaint have merit or that Defendants have any liability, culpability, negligence or wrongdoing regarding any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. Each of the Parties hereto has entered into this Agreement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Non-Disclosure of Settlement. Excluding filings and communications with the Court and LWDA, the Class Representative and Class Counsel will not make any public disclosure of the Settlement until after the filing of the motion for preliminary approval of the Settlement. The Class Representative and each Class Counsel represent that they have not made any such disclosure. The Class Representative and Class Counsel shall not encourage any Class Members to opt-out. Class Counsel will instruct the Class Representative to adhere to the restriction against any public disclosure of the Settlement until after the

1 Settlement is preliminarily approved by the Court. Thereafter, Class Counsel
2 and the Class Representative agree not to publicize the terms of this Settlement
3 with the media, including but not limited to, any newspaper, journal, magazine,
4 website and/or online reporter of settlements, or publicize the fact or the terms
5 of this Settlement on any website. Plaintiff, Class Counsel, Defendants and
6 Defense Counsel separately agree not to, directly or indirectly, initiate any
7 conversation or other communication, before the filing of the Motion for
8 Preliminary Approval, with any third party regarding this Agreement or the
9 matters giving rise to this Agreement except to respond only that “the matter
10 was resolved,” or words to that effect. This paragraph does not restrict Class
11 Counsel’s communications with Class Members in accordance with Class
12 Counsel’s ethical obligations owed to Class Members. This paragraph does not
13 restrict Defendants’ ability to discuss this Agreement with Defendants’
14 respective representatives, attorneys, accountants, auditors and others within
15 Defendants’ companies who have a need to know to further Defendants’
16 operations.

17 12.3. No Solicitation. The Parties separately agree that they and their respective
18 counsel and employees will not solicit any Class Member to opt out of or object
19 to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall
20 be construed to restrict Class Counsel’s ability to communicate with Class
21 Members in accordance with Class Counsel’s ethical obligations owed to Class
22 Members.

23 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this
24 Agreement together with its attached exhibits shall constitute the entire
25 agreement between the Parties relating to the Settlement, superseding any and
26 all oral representations, warranties, covenants, or inducements made to or by
27 any Party.
28

1 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately
2 warrant and represent that they are authorized by Plaintiff and Defendants,
3 respectively, to take all appropriate action required or permitted to be taken by
4 such Parties pursuant to this Agreement to effectuate its terms, and to execute
5 any other documents reasonably required to effectuate the terms of this
6 Agreement including any amendments to this Agreement.

7 12.6. Cooperation. The Parties and their counsel will cooperate with each other and
8 use their best efforts, in good faith, to implement the Settlement by, among
9 other things, modifying the Settlement Agreement, submitting supplemental
10 evidence and supplementing points and authorities as requested by the Court.
11 In the event the Parties are unable to agree upon the form or content of any
12 document necessary to implement the Settlement, or on any modification of the
13 Agreement that may become necessary to implement the Settlement, the Parties
14 may seek the assistance of a mediator and/or the Court for resolution.

15 12.7. No Prior Assignments. The Parties separately represent and warrant that they
16 have not directly or indirectly assigned, transferred, encumbered, or purported
17 to assign, transfer, or encumber to any person or entity and portion of any
18 liability, claim, demand, action, cause of action, or right released and
19 discharged by the Party in this Settlement.

20 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense
21 Counsel are providing any advice regarding taxes or taxability, nor shall
22 anything in this Settlement be relied upon as such within the meaning of United
23 States Treasury Department Circular 230 (31 CFR Part 10, as amended) or
24 otherwise.

25 12.9. Modification of Agreement. This Agreement, and all parts of it, may be
26 amended, modified, changed, or waived only by an express written instrument
27 signed by all Parties or their representatives, and approved by the Court.
28

- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17. Notice. Unless otherwise specifically provided herein, all notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the tenth business day after mailing by a traceable form of United States mail (e.g., certified mail), or the day sent by email or messenger, addressed as follows:

To Plaintiff, the Settlement Class and Class Counsel:	Brian J. Mankin Peter J. Carlson LAUBY, MANKIN & LAUBY 5198 Arlington Avenue, PMB 513. Riverside, CA 90504 Tel: (951) 320-1444 Fax: (951) 320-1445 Email: brian@lmlfirm.com peter@lmlfirm.com
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To Defendants and Defendants’ Counsel:	Rebecca Aragon LITTLER MENDELSON, P.C. 633 West 5th Street, 63rd Floor Los Angeles, CA 90071 Telephone: 213.443.4300 E-mail: raragon@littler.com
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If a notice, demand, or other communication is sent via United States mail, the sending Party will additionally provide email notification to the receiving Party that the notice, demand, or communication is forthcoming via United States mail.

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument

1 if counsel for the Parties will exchange between themselves signed
2 counterparts. Any executed counterpart will be admissible in evidence to prove
3 the existence and contents of this Agreement.

4 12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement
5 the litigation shall be stayed, except to effectuate the terms of this Agreement.
6 The Parties further agree, pursuant to CCP section 583.330, to extend the date
7 to bring a case to trial under CCP section 583.310 for the entire period of this
8 settlement process.

9
10 IN WITNESS HEREOF, the Parties hereto knowingly and voluntarily executed this
11 Agreement between Plaintiff and Defendants as of the date(s) set forth below:

12
13 Dated: Aug 19, 2024, 2024

Dated: _____, 2024

14 
Elaine Cooper (Aug 19, 2024 16:10 PDT)

15 Elaine Cooper
16 Plaintiff and Class Representative

_____ for
Defendants ExlService Holdings, Inc.,
Overland Solutions LLC and Overland
Solutions, Inc.

17
18 **APPROVED AS TO FORM AND**
19 **CONTENT:**

20 Dated: August 20, 2024

Dated: _____, 2024

21 
22 _____
23 Brian J. Mankin
24 Peter J. Carlson
25 Counsel For Plaintiff and the Putative Class

Rebecca Aragon
Counsel for Defendants ExlService Holdings,
Inc., Overland Solutions LLC, Overland
Solutions, LLC and ExlService.com LLC

if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

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

Dated: _____, 2024

Elaine Cooper
Plaintiff and Class Representative

Dated: August 20, 2024 | 9:43 AM PDT

DocuSigned by:

Ajay Ayyappan

D2FB0A132B6C40C

Ajay Ayyappan General Counsel for

Defendants ExlService Holdings, Inc.,
Overland Solutions LLC and Overland
Solutions, Inc.

**APPROVED AS TO FORM AND
CONTENT:**

Dated: _____, 2024

Brian J. Mankin
Peter J. Carlson
Counsel For Plaintiff and the Putative Class

Dated: August 20, 2024



Rebecca Aragon
Counsel for Defendants ExlService Holdings,
Inc., Overland Solutions LLC, Overland
Solutions, LLC and ExlService.com LLC

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EXHIBIT “A”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Cooper v. ExlService Holdings, Inc., et al.

(San Bernardino County Superior Court, Case No. CIVSB2308059)

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

You may be eligible to receive money from an employee class action lawsuit for alleged violations of the California Labor Code (the “Action”) filed against Defendants ExlService Holdings, Inc. Overland Solutions LLC, Overland Solutions, Inc. and ExlService.com, LLC (collectively “Defendants”).

The Action was filed by Elaine Cooper (“Plaintiff” or “Class Representative”) and seeks payment of (1) unpaid wages, statutory damages and penalties, interest and attorneys’ fees on behalf of all Class Members, who are defined as “all current and former non-exempt, hourly-paid employees of Defendants who worked in California at any time during the Class Period (which is April 24, 2019, through **INSERT DATE**); and (2) penalties under the California Private Attorneys General Act (“PAGA”) on behalf of all Aggrieved Employees, who are defined as “all current and former non-exempt, hourly-paid employees of employed by Defendants who worked in California at any time during the PAGA Period (which is April 24, 2022, through **INSERT DATE**). (Plaintiff and Defendants shall be collectively referred to as the “Parties.”)

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). Based on Defendants’ records, and the Parties’ current assumptions, your Individual Class and PAGA Payments are shown in the charts below, along with the applicable data points from which these estimates are derived.

[CLASS MEMBER NAME] [ID/CONTROL NUMBER]

Calculations and Data Points for Estimated Payments			
Weeks Worked during Class Period	INSERT	Estimated Individual Class Payment	\$INSERT
Weeks Worked during PAGA Period	INSERT	Estimated Individual PAGA 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 for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work for Defendants in California during the PAGA Period.) If you believe that you worked more weeks during the periods than are shown in the chart above, you can submit a challenge by **DATE, 2024** (“**Response Deadline**”). See **Section 4** of this Notice.

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

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT’S NOT REQUIRED

DATE: DATE, 2024 TIME: 8:30 A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. See Section 8 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses the Defendants of violating California labor laws by (1) failing to pay minimum wages; (2) failing to pay overtime wages; (3) failing to provide meal periods; (4) failing to provide rest periods; (5) failing to pay vested vacation; (6) failing to reimburse business expenses; (7) failing to timely pay final wages; (8) failing to provide accurate itemized wage statements; and (9) violating California’s Unfair Competition Law (Violation of Business & Professions Code §§ 17200 et seq.) Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws. Both Parties are represented by attorneys in the Action. Plaintiff is represented by Class Counsel (See Section 9 below for Class Counsel’s contact information).

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

So far, the Court has made no determination whether Defendants or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”), Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the

proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

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

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

1. Defendants Will Pay \$600,000 as the "Settlement Amount." Defendants have agreed to pay a total Settlement Amount of \$600,000 and will deposit the Settlement Amount into an account controlled by the Administrator. The Administrator will use the Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representatives' Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's Costs, and PAGA Penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Settlement 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if the Judgment is appealed.

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

A. Up to \$200,000 (one-third of the Settlement Amount) to Class Counsel for attorneys' fees and up to \$25,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment

B. Up to \$10,000 to the Class Representative as Service Payment for litigating the Action, working with Class Counsel, and representing the Class.

C. \$XXXXXXX to the Settlement Administrator for services administering the Settlement.

D. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their share of Pay Periods worked during the PAGA Period.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

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

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages ("Wage Portion") and 85% to penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes they owe on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments

and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California State Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out. You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Settlement Administrator. The Court has appointed a neutral company, **INSERT NAME HERE** (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement Administrator will also decide any Disputes over weeks worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

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

All Participating Class Members release the Released Parties (which includes Defendants and any of each Defendants' respective former and present parents, subsidiaries, affiliates, each of their former and present officers, directors, employees, agents, representatives, administrators, fiduciaries, and attorneys; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described herein) from all claims and causes of action pleaded in the Complaint, and those which could reasonably have been alleged based on the facts, allegations, and/or claims stated in the Complaint for work performed during the Class Period, including claims for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse Business Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to Provide Accurate Itemized Wage Statements; (9) Unfair and Unlawful Competition; including claims predicated on the same or similar facts and/or claims alleged in the Complaint as well as any claims that reasonably could have been pled which arise from the facts alleged in the Complaint concerning the Plaintiff or the putative class, including any state or federal claims for unpaid wages (including minimum, regular, vacation and overtime wages), unlawful rounding of employee time punches, untimely wage payments both during and at the end of employment, non-compliant meal periods, non-compliant rest periods, non-compliant wage statements, failure to reimburse and indemnify business expenses, failure to correctly calculate the regular rate of pay, and claims for interest, penalties (including but not limited to waiting time penalties), or premiums in connection therewith, as well as any claims under federal law, the California Labor Code and California Industrial Welfare Commission Wage Orders that were alleged or which reasonably could have been alleged

under the facts, allegations and/or claims pleaded in the Class Lawsuit.

Finally, to the extent required by law, the cashing of the settlement check by the Participating Class Member shall be deemed to be an opt-in for purposes of releasing Released Parties from any claims predicated under the Fair Labor Standards Act (“FLSA”) that could have been alleged under the facts, allegations and/or claims pleaded in the Operative Complaint. (the “Released Class Claims”). The Settlement Administrator shall include a legend on the settlement check stating, “By cashing this check, and to the extent required by law, I am opting into the settlement in *Elaine Cooper v. ExlService Holdings, Inc. et al.*, San Bernardino Superior Court, Case No. CVSB2308059, under FLSA, 29 U.S.C. § 216(b), and releasing the Released Claims described in the Settlement Agreement.”

The operative release period for the Released Class Claims is the Class Period. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. Release of Released PAGA Claims. After the Court’s judgment is final, and Defendants have funded the Settlement Amount (and separately paid the employer-side payroll taxes), all Aggrieved shall release the Released Parties (which includes Defendants and any of each Defendants’ respective former and present parents, subsidiaries, affiliates, each of their former and present officers, directors, employees, agents, representatives, administrators, fiduciaries, and attorneys; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described herein) of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and PAGA Notice, including, e.g., any and all claims involving any and all claims involving (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse Business Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to Timely Pay Final Wages, (9) Failure to Provide Accurate Itemized Wage Statements, (10) Failure to pay sick pay and (11) all other claims for civil penalties recoverable under PAGA based on the facts or claims alleged in Plaintiff’s PAGA Notice to the LWDA and the Complaint. (“Released PAGA Claims”). The time period governing the Released PAGA Claims shall be any time during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of Weeks Worked by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500 by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Pay Periods for each individual Aggrieved Employee during the PAGA Period.

3. Disputing Weeks Worked and/or Pay Periods. The number of weeks you worked during the Class Period and Pay Periods during the PAGA Period, as recorded in Defendants’ records, are stated in the tables on page 1 of this Notice. You have until **INSERT DATE** (“Response Deadline”) to dispute the number of Workweeks credited to you by timely submitting evidence to the Settlement Administrator on or before **INSERT DATE 30 Days After Mailing**. Section 9 of this Notice has the Administrator’s contact information.

You need to support your dispute by sending copies of pay stubs or other records. The Administrator will accept Defendants’ calculation of weeks worked based on Defendants’ records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve challenges based on your submission and on input from Class Counsel and

Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and Aggrieved Employees. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (which includes every Class Member who does not opt-out) and Aggrieved Employee. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement.

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

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

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline.

If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude yourself by sending to the Administrator a "Request for Exclusion" letter/card postmarked no later than [REDACTED], 2024 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE CLASS IN THE EXLSERVICE HOLDINGS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MY INDIVIDUAL CLASS PAYMENT FROM THIS LAWSUIT."

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

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment.

If you do not want to participate in the Settlement, the Administrator will exclude you based on timely receipt of a writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Cooper v. ExlService Holdings* and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of social security number or your date of birth for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **Send your request to be excluded to the Administrator by [REDACTED], 2024 (the "Response Deadline"), or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. **The deadline for sending written objections to the Administrator is [REDACTED], 2024 (the "Response Deadline").**

If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, and the objection must include your full name, address, telephone number, last four digits of the social security number or date of birth, signature, and dates of employment with Defendant, in addition to the case name and number (*Cooper v. ExlService*

Holdings, Case No. CIVSB2308059), the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof. Additionally, if you are represented by an attorney, the objection must include the name and address of your attorney. This objection and all supporting information must be sent to the Administrator at the address listed in Section 9, **postmarked** on or before [REDACTED], 2024.

If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time) in Department S17 of the San Bernardino Superior Court, located at 247 W. 3rd Street, San Bernardino, California 92415. At the hearing, the Court will determine whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiff's request for the service award. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via _____ ([https://www._____](https://www._____.)). Check the Court's website for the most current information.

This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED] (url).

If you have questions about this Notice, the process to Opt-Out or Object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you may contact the Administrator for more information or to request that a copy of this Notice be sent to you in the mail. You may also visit the Administrator's website for case related documents and information and you may also contact Class Counsel. Contact information for both the Administrator and Class Counsel is provided here:

Settlement Administrator	Class Counsel
Name Mailing Address Telephone Number CASE URL	Brian Mankin, Esq. <i>brian@LMLfirm.com</i> Peter Carlson, Esq. <i>peter@LMLfirm.com</i> Lauby Mankin Lauby LLP

EXHIBIT “2”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Cooper v. ExlService Holdings, Inc., et al.

(San Bernardino County Superior Court, Case No. CIVSB2308059)

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

You may be eligible to receive money from an employee class action lawsuit for alleged violations of the California Labor Code (the “Action”) filed against Defendants ExlService Holdings, Inc. Overland Solutions LLC, Overland Solutions, Inc. and ExlService.com, LLC (collectively “Defendants”).

The Action was filed by Elaine Cooper (“Plaintiff” or “Class Representative”) and seeks payment of (1) unpaid wages, statutory damages and penalties, interest and attorneys’ fees on behalf of all Class Members, who are defined as “all current and former non-exempt, hourly-paid employees of Defendants who worked in California at any time during the Class Period (which is April 24, 2019, through **INSERT DATE**); and (2) penalties under the California Private Attorneys General Act (“PAGA”) on behalf of all Aggrieved Employees, who are defined as “all current and former non-exempt, hourly-paid employees of employed by Defendants who worked in California at any time during the PAGA Period (which is April 24, 2022, through **INSERT DATE**). (Plaintiff and Defendants shall be collectively referred to as the “Parties.”)

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). Based on Defendants’ records, and the Parties’ current assumptions, your Individual Class and PAGA Payments are shown in the charts below, along with the applicable data points from which these estimates are derived.

[CLASS MEMBER NAME] [ID/CONTROL NUMBER]

Calculations and Data Points for Estimated Payments			
Weeks Worked during Class Period	INSERT	Estimated Individual Class Payment	\$INSERT
Weeks Worked during PAGA Period	INSERT	Estimated Individual PAGA 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 for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work for Defendants in California during the PAGA Period.) If you believe that you worked more weeks during the periods than are shown in the chart above, you can submit a challenge by **DATE, 2024** (“**Response Deadline**”). See **Section 4** of this Notice.

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

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT’S NOT REQUIRED

DATE: DATE, 2024 TIME: 8:30 A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. See Section 8 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses the Defendants of violating California labor laws by (1) failing to pay minimum wages; (2) failing to pay overtime wages; (3) failing to provide meal periods; (4) failing to provide rest periods; (5) failing to pay vested vacation; (6) failing to reimburse business expenses; (7) failing to timely pay final wages; (8) failing to provide accurate itemized wage statements; and (9) violating California’s Unfair Competition Law (Violation of Business & Professions Code §§ 17200 et seq.) Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws. Both Parties are represented by attorneys in the Action. Plaintiff is represented by Class Counsel (See Section 9 below for Class Counsel’s contact information).

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

So far, the Court has made no determination whether Defendants or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”), Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the

proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

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

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

1. Defendants Will Pay \$600,000 as the “Settlement Amount.” Defendants have agreed to pay a total Settlement Amount of \$600,000 and will deposit the Settlement Amount into an account controlled by the Administrator. The Administrator will use the Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representatives’ Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s Costs, and PAGA Penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Settlement 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if the Judgment is appealed.

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

A. Up to \$200,000 (one-third of the Settlement Amount) to Class Counsel for attorneys’ fees and up to \$25,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment

B. Up to \$10,000 to the Class Representative as Service Payment for litigating the Action, working with Class Counsel, and representing the Class.

C. \$XXXXXXX to the Settlement Administrator for services administering the Settlement.

D. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their share of Pay Periods worked during the PAGA Period.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

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

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages (“Wage Portion”) and 85% to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes they owe on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments

and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California State Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out. You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Settlement Administrator. The Court has appointed a neutral company, **INSERT NAME HERE** (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement Administrator will also decide any Disputes over weeks worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

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

All Participating Class Members release the Released Parties (which includes Defendants and any of each Defendants' respective former and present parents, subsidiaries, affiliates, each of their former and present officers, directors, employees, agents, representatives, administrators, fiduciaries, and attorneys; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described herein) from all claims and causes of action pleaded in the Complaint, and those which could reasonably have been alleged based on the facts, allegations, and/or claims stated in the Complaint for work performed during the Class Period, including claims for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse Business Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to Provide Accurate Itemized Wage Statements; (9) Unfair and Unlawful Competition; including claims predicated on the same or similar facts and/or claims alleged in the Complaint as well as any claims that reasonably could have been pled which arise from the facts alleged in the Complaint concerning the Plaintiff or the putative class, including any state or federal claims for unpaid wages (including minimum, regular, vacation and overtime wages), unlawful rounding of employee time punches, untimely wage payments both during and at the end of employment, non-compliant meal periods, non-compliant rest periods, non-compliant wage statements, failure to reimburse and indemnify business expenses, failure to correctly calculate the regular rate of pay, and claims for interest, penalties (including but not limited to waiting time penalties), or premiums in connection therewith, as well as any claims under federal law, the California Labor Code and California Industrial Welfare Commission Wage Orders that were alleged or which reasonably could have been alleged

under the facts, allegations and/or claims pleaded in the Class Lawsuit.

Finally, to the extent required by law, the cashing of the settlement check by the Participating Class Member shall be deemed to be an opt-in for purposes of releasing Released Parties from any claims predicated under the Fair Labor Standards Act (“FLSA”) that could have been alleged under the facts, allegations and/or claims pleaded in the Operative Complaint. (the “Released Class Claims”). The Settlement Administrator shall include a legend on the settlement check stating, “By cashing this check, and to the extent required by law, I am opting into the settlement in *Elaine Cooper v. ExlService Holdings, Inc. et al.*, San Bernardino Superior Court, Case No. CVSB2308059, under FLSA, 29 U.S.C. § 216(b), and releasing the Released Claims described in the Settlement Agreement.”

The operative release period for the Released Class Claims is the Class Period. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. Release of Released PAGA Claims. After the Court’s judgment is final, and Defendants have funded the Settlement Amount (and separately paid the employer-side payroll taxes), all Aggrieved shall release the Released Parties (which includes Defendants and any of each Defendants’ respective former and present parents, subsidiaries, affiliates, each of their former and present officers, directors, employees, agents, representatives, administrators, fiduciaries, and attorneys; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described herein) of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and PAGA Notice, including, e.g., any and all claims involving any and all claims involving (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay Vested Vacation; (6) Failure to Reimburse Business Expenses; (7) Failure to Timely Pay Final Wages; (8) Failure to Timely Pay Final Wages, (9) Failure to Provide Accurate Itemized Wage Statements, (10) Failure to pay sick pay and (11) all other claims for civil penalties recoverable under PAGA based on the facts or claims alleged in Plaintiff’s PAGA Notice to the LWDA and the Complaint. (“Released PAGA Claims”). The time period governing the Released PAGA Claims shall be any time during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of Weeks Worked by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500 by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Pay Periods for each individual Aggrieved Employee during the PAGA Period.

3. Disputing Weeks Worked and/or Pay Periods. The number of weeks you worked during the Class Period and Pay Periods during the PAGA Period, as recorded in Defendants’ records, are stated in the tables on page 1 of this Notice. You have until **INSERT DATE** (“Response Deadline”) to dispute the number of Workweeks credited to you by timely submitting evidence to the Settlement Administrator on or before **INSERT DATE 30 Days After Mailing**. Section 9 of this Notice has the Administrator’s contact information.

You need to support your dispute by sending copies of pay stubs or other records. The Administrator will accept Defendants’ calculation of weeks worked based on Defendants’ records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve challenges based on your submission and on input from Class Counsel and

Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and Aggrieved Employees. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (which includes every Class Member who does not opt-out) and Aggrieved Employee. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement.

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

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

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline.

If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude yourself by sending to the Administrator a "Request for Exclusion" letter/card postmarked no later than [REDACTED], 2024 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE CLASS IN THE EXLSERVICE HOLDINGS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MY INDIVIDUAL CLASS PAYMENT FROM THIS LAWSUIT."

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

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment.

If you do not want to participate in the Settlement, the Administrator will exclude you based on timely receipt of a writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as Cooper v. ExlService Holdings and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of social security number or your date of birth for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **Send your request to be excluded to the Administrator by [REDACTED], 2024 (the "Response Deadline"), or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. **The deadline for sending written objections to the Administrator is [REDACTED], 2024 (the "Response Deadline").**

If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, and the objection must include your full name, address, telephone number, last four digits of the social security number or date of birth, signature, and dates of employment with Defendant, in addition to the case name and number (Cooper v. ExlService

Holdings, Case No. CIVSB2308059), the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof. Additionally, if you are represented by an attorney, the objection must include the name and address of your attorney. This objection and all supporting information must be sent to the Administrator at the address listed in Section 9, **postmarked** on or before [REDACTED], 2024.

If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time) in Department S17 of the San Bernardino Superior Court, located at 247 W. 3rd Street, San Bernardino, California 92415. At the hearing, the Court will determine whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiff's request for the service award. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via _____ ([https://www._____](https://www._____.)). Check the Court's website for the most current information.

This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED] (url).

If you have questions about this Notice, the process to Opt-Out or Object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you may contact the Administrator for more information or to request that a copy of this Notice be sent to you in the mail. You may also visit the Administrator's website for case related documents and information and you may also contact Class Counsel. Contact information for both the Administrator and Class Counsel is provided here:

Settlement Administrator	Class Counsel
Name Mailing Address Telephone Number CASE URL	Brian Mankin, Esq. <i>brian@LMLfirm.com</i> Peter Carlson, Esq. <i>peter@LMLfirm.com</i> Lauby Mankin Lauby LLP

EXHIBIT “3”



CASE ASSUMPTIONS

Class Members	300
Opt Out Rate	1%
Opt Outs Received	3
Total Class Claimants	297
Subtotal Admin Only	\$7,850.41

Flat Fee Total \$7,500.00

For 300 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

January 29, 2024

Case: Cooper v. Exl Service , Opt-Out & PAGA 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 **300** 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	42		\$84.00
NCOA (USPS)	\$60.00	1		\$60.00
Total				\$644.00

* 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	300		\$30.00
Notice Packet & Opt-Out Form	\$1.35	300		\$405.00
Estimated Postage (up to 2 oz.)*	\$0.64	300		\$192.00
Static Website	\$200.00	1		\$200.00
Total				\$1,027.00

* 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	2		\$110.00
Skip Tracing Undeliverables	\$1.00	45		\$45.00
Remail Notice Packets	\$1.00	42		\$42.00
Estimated Postage	\$0.64	42		\$26.88
Programming Undeliverables	\$50.00	2		\$100.00
			Total	\$323.88

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	4		\$40.00
Case Manager	\$85.00	3		\$255.00
			Total	\$865.00

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	2		\$270.00
Programming Manager	\$95.00	3		\$285.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	5		\$675.00
Mail Class Checks *	\$0.85	297		\$252.45
Estimated Postage	\$0.64	297		\$190.08
			Total	\$1,942.53

* 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	49		\$98.00
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
Check to Cy-Pres	\$150.00	1		Included
Total				\$3,048.00

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

Estimate Total: \$7,850.41



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

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

EXHIBIT “4”