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Attorneys for Defendant CARRINGTON MORTGAGE SERVICES, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

ERICK F. HARMON, an individual, on behalf of himself and others similarly situated,

Plaintiff,

vs.

CARRINGTON MORTGAGE SERVICES, LLC, a Delaware limited liability company; and DOES 1 through 50, inclusive,

Defendants.

Case No. 30-2023-01339188-CU-OE-CXC

Assigned for All Purposes To:
Hon. Layne H. Melzer
Dept.: CX102

AMENDED PAGA SETTLEMENT AGREEMENT AND RELEASE

Original Complaint filed: July 27, 2023
First Amended Complaint: October 27, 2023
Trial Date: None set

This PAGA Settlement Agreement and Release ("Settlement Agreement" or "Settlement") is made by and between plaintiff Erick F. Harmon ("Plaintiff") and defendant Carrington Mortgage Services, LLC ("Carrington" or "Defendant"). The Agreement refers to Plaintiff and Carrington collectively as "Parties," or individually as "Party."

1. **DEFINITIONS**

1.1. "Action" means Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *Erick Harmon v. Carrington Mortgage Services, LLC*, Case No. 30-2023-01339188-CU-OE-CXC, filed on July 27, 2023, and pending in Superior Court of the State of California, County of Orange.

1.2. "Administrator" means Apex Class Action, LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Costs" means the amount to be paid to the Administrator from the Gross Settlement Amount for administration of this Settlement, not to exceed $5,500.00 (Five Thousand Five Hundred Dollars and No Cents).

1.4. "Aggrieved Employees" means and includes all individuals who worked for Defendant as hourly non-exempt employees in Defendant's Loss Mitigation Department in California at any time during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods worked during the PAGA Period.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

1.7. "Approval Order" means the Court's Order Granting Approval of the Settlement.

1.8. "Court" means the Superior Court of California, County of Orange.

1.9. "Defendant" means Carrington Mortgage Services, LLC.

1.10. "Defense Counsel" means Buchalter, A Professional Corporation.

1.11. "Effective Date" means the date on which the Court enters a Judgment on its Order Approving the PAGA Settlement.

1.12. "Gross Settlement Amount" or "GSA" means the non-reversionary payment of $235,000.00 (Two Hundred Thirty-Five Thousand Dollars and No Cents), which is the total amount Defendant agrees to pay under the Settlement. The GSA will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Costs, and the Administration Costs.

1.13. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.14. "Judgment" means the judgment entered by the Court based upon the Approval of the PAGA Settlement.

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

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

1.17. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount less the following payments in the amounts approved by the Court: PAGA Counsel Fees and Costs, and Administration Costs. The NSA and the PAGA Penalties are similarly defined, as both are the remainder amount after deductions from the GSA to be paid to the LWDA and Aggrieved Employees as civil penalties under the PAGA.

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

1.19. "PAGA Counsel" means D.Law, Inc.

1.20. "PAGA Counsel Fees" and "PAGA Counsel Costs" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred in connection with this Action. PAGA Counsel will request approval of an award of attorneys' fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e. $82,250.00), as well as actual reasonable litigation costs in an amount not to exceed Twenty Thousand Dollars

($20,000.00). Defendant will not oppose PAGA Counsel's request for attorneys' fees and costs in the amount provided for in this paragraph. PAGA Counsel Fees and Costs will be paid out of the Gross Settlement Amount. To the extent that the Court approves less than the amount of attorneys' fees or costs requested, the difference between the requested and awarded amounts will be added to the Net Settlement Amount for payment of the LWDA PAGA Payment.

1.21. "PAGA Notice" means Plaintiff's July 27, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.22. "PAGA Penalties" means the total PAGA civil penalties payment to be paid from the Gross Settlement Amount and is defined similarly as the NSA, with both calling for an allocation of 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

1.23. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.24. "PAGA Period" means the period from July 27, 2022 to August 19, 2024.

1.25. "Plaintiff" means Erick F. Harmon, the named plaintiff in the Action.

1.26. "Released Parties" means: Defendant and each of its current and former parent companies, owners, subsidiaries, divisions, affiliated or related persons or entities, members, and managers, and all of their respective officers, directors, employees, partners, managing agents, shareholders, members, managers, attorneys, agents, executors, insurers, and assigns.

1.27. "Settlement Notice" means an explanatory letter similar to that attached hereto as Exhibit A to be sent by the Administrator to Aggrieved Employees.

2. **RECITALS.**

2.1. On July 27, 2023, Plaintiff commenced this Action by filing a Class Action Complaint against Defendant alleging eleven wage and hour causes of action. Simultaneously, Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice pursuant to Labor Code section 2699.3, subd.(a). Plaintiff filed a First Amended Complaint ("FAC") adding a cause of action for PAGA penalties under Labor Code §§ 2698 *et seq*. on October 27, 2023.

2.2. Shortly after initiating the Action, the Parties met and conferred regarding the allegations in the FAC and enforceability of an arbitration agreement signed by Plaintiff. After much consideration, the Parties agreed to try and resolve the matter through mediation. The Parties scheduled a mediation with Deborah Saxe.

2.3. On March 6, 2024, the Parties participated in an all-day mediation with Deborah Saxe. Although the Parties were not able to agree settle the Action that day, the Parties continued to work cooperatively with the mediator and were able to execute a term sheet setting forth the general terms of this Settlement. After further extensive settlement discussions, the Parties entered into this Agreement.

2.4. The Parties have each independently analyzed and investigated the facts and law relevant to this case through informal discovery, including, but not limited to, the employment policies, procedures, and practices implicated by the FAC and/or the PAGA Notice; a sampling of timekeeping records, payroll records, and wage statements relating to Plaintiff and other non-exempt employees on whose behalf the FAC and/or the PAGA Notice are asserted; and summaries of data pertaining to the number of employees allegedly affected by the policies, procedures, and practices implicated by the FAC and/or the PAGA Notice.

2.5. After evaluating the strengths and weaknesses of their respective positions, after considering the time, expense, and risk associated with litigating this case to judgment, and after engaging in arm's-length settlement negotiations through informed counsel with the assistance of a mediator, the Parties agreed to fully, finally, and exclusively resolve the Released Claims as to Plaintiff and the Aggrieved Employees, subject to Court approval.

2.6. At the time of filing the motion for approval of this Settlement with the Court, Plaintiff's counsel will file a Request for Dismissal of the class claims without prejudice in accordance with Rule 3.770 of the California Rules of Court. Defendant's obligations under this Agreement are contingent on the Court dismissing the class claims alleged in the FAC. Defendant denies the allegations in the FAC and PAGA Notice, denies any failure to comply with the laws identified in in the FAC and PAGA Notice, and denies any and all liability for the causes of action alleged in the FAC and PAGA Notice.

2.7. The Parties, PAGA 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. The parties also entered into a separate individual settlement agreement addressing the general release Plaintiff is providing to Defendant and the related consideration.

3. **<u>TERMS OF SETTLEMENT.</u>**

3.1. <u>GROSS SETTLEMENT AMOUNT</u>. Defendant will pay a non-reversionary Gross Settlement Amount ("GSA") in the amount of $235,000.00 (Two Hundred Thirty-Five Thousand Dollars) to fully settle, resolve, and extinguish all claims asserted in the Action, including without limitation all claims asserted in the PAGA Notice referenced in Plaintiff's FAC in the Action. The Parties stipulate and agree that the GSA covers and satisfies all amounts necessary to settle the Action including, without limitation, all PAGA Counsel Fees and Costs, and all Administration Costs. The Administrator will disburse the entire GSA without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the GSA will revert to Defendant. The parties also entered into a separate individual settlement agreement addressing the general release Plaintiff is providing to Defendant and the related consideration.

3.2. <u>FUNDING OF GROSS SETTLEMENT AMOUNT</u>. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

3.3. <u>PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT</u>. The Administrator will make the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

3.3.1. <u>To PAGA Counsel</u>: A payment for PAGA Counsel Fees of not more than 35% of the GSA, which is currently estimated to be $82,250.00, and PAGA Counsel Costs of not more than $20,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. In the event the Court approves PAGA Counsel Fees and Costs less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay PAGA Counsel Fees and Costs using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on PAGA Counsel Fees and Costs.

3.3.2. To the Administrator: A payment for Administration Costs not to exceed $5,500.00 except for a showing of good cause and as approved by the Court. The Parties will not oppose the request for Administration Costs provided that they do not exceed this amount. To the extent Administration Costs are less or the Court approves payment less than $5,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.3.3. PAGA Penalties Payment: After subtracting PAGA Counsel Fees and Costs, and Administration Costs, the resulting NSA will be distributed to the LWDA and Aggrieved Employees as the PAGA Penalties. The PAGA Penalties payments will be subject to Court approval consistent with California Labor Code section 2699.3(b)(4). Upon approval, the PAGA Penalties payments shall be allocated as follows:

3.3.3.1. The LWDA PAGA Payment: Seventy-five percent (75%) will be paid to the LWDA, as required by California Labor Code section 2699(i);

3.3.3.2. Individual PAGA Payments: Twenty-five percent (25%) will be divided on a *pro rata* basis among Aggrieved Employees calculated according to the number of PAGA Pay Periods worked during the PAGA Period and distributed by the Settlement Administrator in Individual PAGA Payments, as required by California Labor Code section 2699(i).

3.3.3.3. The payments will be reported on IRS Forms 1099 issued to the LWDA and each Aggrieved Employee. The Settlement Administrator will be responsible for issuing to Aggrieved Employees any 1099 or other tax forms as may be required by law for all amounts paid pursuant to this Settlement.

4. **SETTLEMENT ADMINISTRATION.**

4.1. SELECTION OF ADMINISTRATOR. The Parties have jointly selected Apex Class Action, LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action, LLC 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 Costs. 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.

4.2. AGGRIEVED EMPLOYEE PAY PERIODS. Based on a review of its records to date, Defendant estimates there are 217 Aggrieved Employees who collectively worked a total of 8,005 PAGA Pay Periods during the PAGA Period.

4.3. AGGRIEVED EMPLOYEE DATA. Not later than fourteen (14) days after the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. This information will include the name, most last-known mailing address, social security number, and number of PAGA pay periods worked for each Aggrieved Employee during the PAGA Period. The list shall also include the sum total of all PAGA Pay Periods worked by Aggrieved Employees during the PAGA Period. As social security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

4.3.1. Defendant's Continuing Duty Regarding Aggrieved Employee Data: Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.4. CALCULATION OF INDIVIDUAL PAGA PAYMENTS: The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee. Within seven (7) days of receiving the Aggrieved Employee Data, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

4.5. DISTRIBUTION OF PAYMENTS FROM THE GSA. Within 10 days after Defendant funds the GSA, the Administrator will mail checks for all Individual PAGA Payments along with an explanatory letter ("Settlement Notice"), LWDA PAGA Payment, Administration Costs, and PAGA Counsel Fees and Costs. Disbursement of PAGA Counsel Fees and Costs shall not precede disbursement of Individual PAGA Payments.

4.5.1. Individual PAGA Payments with Settlement Notice. The Administrator will issue checks for the Individual PAGA Payments and send the Individual PAGA Payments with the Settlement Notice to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. Individual PAGA Payments will remain negotiable for 180 days and Aggrieved Employees will have 180 days from the date of mailing to cash their Individual PAGA Payments. The face of each check shall prominently state the date when the check will be voided ("void date"). The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. If an Individual PAGA Payment is returned to the Administrator with a forwarding address provided by the United States Postal Service, the Administrator will promptly resend the check to the Aggrieved Employee at the forwarding address, but this re-mailing will not extend the 180-day period to cash the check.

4.5.2. Aggrieved Employee Address Search. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employee's whose checks are returned undelivered without USPS forwarding address. Within seven days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.5.3. Uncashed Checks. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.5.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

4.6. FINAL ACCOUNTING REPORT BY SETTLEMENT ADMINISTRATOR. Within 10 days after the Administrator disburses all funds in the GSA, the Administrator will provide PAGA 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 14 days before any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

5. **RELEASE OF CLAIMS.** As of the Effective Date, all Aggrieved Employees, the State of California, the LWDA, and Plaintiff, in consideration of the PAGA Payment, shall be bound by this Agreement and shall have recourse exclusively to the benefits, rights, and remedies provided hereunder. Plaintiff and Aggrieved Employees (on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns), and the State of California, shall be deemed to have, and by operation of the Approval Order, fully, finally, forever, unconditionally, and irrevocably released, relinquished, and discharged each and all of the Released Parties from any and all claims for PAGA penalties that were alleged in the Action and PAGA Notice, or reasonably could have been alleged, based on the facts stated in the FAC and Plaintiff's PAGA Notice that occurred during the PAGA Period.

6. **REQUEST FOR APPROVAL OF SETTLEMENT.** The Parties will cooperate in obtaining through an unopposed or joint motion, an order from the Court approving the terms of this Agreement at the earliest possible date following the execution of this Agreement. PAGA Counsel shall be responsible for filing an unopposed motion for approval of the Settlement.

Plaintiff shall provide the requisite notice of this Settlement Agreement to the LWDA on or before the date Plaintiff requests approval of this Settlement Agreement from the Court. If the Court approves this Settlement, the Parties shall request that the Court enter an Order approving the settlement. As part of the request to approve the Settlement, Plaintiff shall submit a proposed order granting approval of this Settlement. The Order granting approval of the settlement shall provide for a dismissal, with prejudice, of the entire Action. The Court shall retain jurisdiction to enforce the terms of this Agreement. This Settlement is expressly conditioned upon the Court entering such an Order approving this Settlement as set forth herein.

6.1. DUTY TO COOPERATE. The Parties agree to work diligently and cooperatively to have this matter presented to the Court for approval as efficiently as possible. Defendant agrees not to oppose Plaintiff's Motion for Approval provided that it comports with this Settlement Agreement. If the Parties disagree on any aspect of the proposed Motion for Approval and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, in good faith, to resolve the disagreement. If the Court does not grant Approval or conditions Approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6.2. CONFIDENTIALITY PRIOR TO APPROVAL. Plaintiff, PAGA Counsel, Defendant and Defense Counsel separately agree that, until the motion for approval of the Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. PAGA counsel may put publicly available information about the Settlement in any description of their experience or the like in order to describe their experience to a court. Plaintiff and PAGA Counsel shall not issue a press release, hold a press conference, publish information about the settlement on any website, or otherwise publicize the settlement. This paragraph does not restrict PAGA Counsel's communications with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

7. **ADDITIONAL NOTICE.** The Settlement Administrator will post copies of the Operative Complaint, Amended Settlement Agreement, Amended Notice Letter to the Aggrieved Employees and Final Order and Judgment on the Administrator's website for at least 30 days after entry of the Final Order and Judgment.

8. **CONTINUING JURISDICTION OF THE COURT.** Pursuant to Cal. Code of Civ. Proc. § 664.6 and CRC 3.769(h), the Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9. **AMENDED JUDGMENT.** If any amended judgment is required under Cal. Civ. Proc. § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

10. **ADDITIONAL PROVISIONS.**

10.1. NO ADMISSION OF LIABILITY. 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. 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).

10.2. NO SOLICITATION. The Parties separately agree that they and their respective counsel and employees will not solicit any Aggrieved Employee to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict PAGA Counsel's ability to communicate with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

10.3. INTEGRATED AGREEMENT. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. This Agreement does not supersede or replace the Separate Individual Settlement Agreement addressing Plaintiff's general release.

10.4. ATTORNEY AUTHORIZATION. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

10.6. NO PRIOR ASSIGNMENTS. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.7. NO TAX ADVICE. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.8. MODIFICATION OF AGREEMENT. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.9. AGREEMENT BINDING ON SUCCESSORS. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.10. 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.

10.11. 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.

10.12. 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.

10.13. 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.

10.14. 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 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.

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10.15. 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 that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

IT IS SO AGREED.

By the parties:

DocuSigned by:
Erick Harmon
B9E6ACD59312485...
Plaintiff Erick F. Harmon
Date: 10/29/2025

DocuSigned by:
DeAnn Johnson
422BC6F8760C46B...
DocuSigned by:
Ginger Crawford
F85D0128479B49C...
Defendant Carrington Mortgage Services, LLC
By: DeAnn Johnson Ginger Crawford
Position: VP, Employee Relations Ginger Crawford
Date: 11/10/2025 11/10/2025

Approved by counsel:

DATED: October 28, 2025

D.LAW, INC.

BY: ______________________

David Yeremian
Alvin B. Lindsay
Attorneys for Plaintiff Erick F. Harmon and others similarly aggrieved

DATED: November 11, 2025

BUCHALTER, A PROFESSIONAL CORPORATION

BY: Kathryn B. Fox

Kalley Aman
Kathryn B. Fox
Attorneys for Defendant CARRINGTON MORTGAGE SERVICES, LLC