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on behalf of himself and others similarly situated

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. Lon Hurwitz

Dept.: CX103

**DECLARATION OF DAVID YEREMIAN
IN SUPPORT OF PLAINTIFF'S
UNOPPOSED MOTION TO APPROVE
THE PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT AND RELEASE
UNDER CALIFORNIA LABOR CODE §§
2698 et. seq.**

Hearing Date: April 18, 2025

Time: 01:30 p.m

Department: CX103

Original Complaint Filed: July 27, 2023

Amended Complaint Filed: October 27, 2023

Trial Date: None set.

DECLARATION OF DAVID YEREMIAN

I, David Yeremian, declare:

1. I am an attorney licensed and admitted to practice before all courts of the State of California, the United States District Court for the Central, Southern, Eastern, and Northern Districts of California, and the Ninth Circuit Court of Appeals. I am managing partner of David Yeremian & Associates, Inc. David Yeremian & Associates, Inc. and myself along with my co-counsel, Alvin B. Lindsay, Rose Sorial, and Emil Davtyan of D.Law, Inc. represent Plaintiff Erick Harmon (“Plaintiff” or “PAGA Representative”), on behalf of himself and other similarly aggrieved employees of Defendants OneMain General Services Corporation and OneMain Financial Group, LLC (“Defendants”) (collectively, “the parties”) in connection with his claims for civil penalties under the Private Attorneys General Act (“PAGA”), Labor Code §§ 2698 *et seq.* David Yeremian & Associates and myself, along with Alvin B. Lindsay, Rose Sorial, and Emil Davtyan of D.Law, Inc. are referred to herein collectively as PAGA Counsel. I have personal knowledge of the facts herein and if called as a witness, I could and would competently testify.

2. I have represented Plaintiff Harmon since the inception of this action. I submit this Declaration in support of the Plaintiff’s Motion for Approval of the parties’ Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement”). A copy of the Settlement Agreement is provided as **Exhibit A** to this Declaration. Apex will be responsible for updating the addresses for PAGA Members, mailing the Notice of Settlement and calculating and distributing the settlement checks, among other duties. Pursuant to the Settlement Agreement, we are requesting an award of attorneys’ fees to PAGA Counsel in the amount of **\$82,250.00**, an award of attorneys’ costs to PAGA Counsel of **\$19,280.00** to David Yeremian & Associates and D.Law, Inc., and Settlement Administration Costs to Apex Settlement Administrators in an amount not to exceed **\$5,500.00** for administering this PAGA settlement.

3. I do not believe that I have any conflicts of interest with the Aggrieved Employees or Plaintiff or the State of California. I am not related to Plaintiff and have not previously represented Defendants in any matter. I respectfully submit that PAGA Counsel are well-suited to

1 act as PAGA Counsel in this action, and we have and will continue to vigorously represent the
2 interests of the Aggrieved Employees and the State of California.

3 **QUALIFICATIONS AND ADEQUACY OF PAGA COUNSEL**

4 4. David Yeremian & Associates, Inc. and D.Law are well-qualified because of our
5 experience, knowledge, and resources to act as counsel and represent Plaintiff and the Aggrieved
6 Employees and the State of California in this action. My practice is exclusively focused on
7 employment matters, with a substantial percentage devoted to litigating wage, hour, and working-
8 conditions violations on a class-wide and representative PAGA basis.

9 5. I graduated from UC Berkeley in 1997 and received my law degree and MBA from
10 UCLA in 2001. I am a member of the Los Angeles County Bar Association and the California
11 Employment Lawyers Association. I have been honored as a Super Lawyers Rising Star in 2009,
12 2010, 2012-2015. I was then honored as a Super Lawyer since 2016.

13 6. I have been practicing law since 2003. Since 2007, I have focused almost exclusively
14 on representing employees, including in wage-and-hour class and representative PAGA actions.
15 During my career I have represented employees in hundreds of wage-and-hour class and PAGA
16 action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern and
17 Northern Districts of California), and I have obtained six and seven figure settlements against a
18 range of defendants, including Fortune 500 companies. These cases have involved the gamut of
19 wage-and-hour claims and claims for civil and statutory penalties, including claims for failure to
20 pay minimum wages, unpaid wages and overtime, failure to provide meal and rest breaks, failure
21 to reimburse necessary business expenses, inaccurate pay statements, failure to pay timely
22 wages—similar to claims at issue in the present matter.

23 7. I am experienced in prosecuting employment matters, particularly class and
24 representative PAGA actions. In addition to the present case, I am also class and/or PAGA
25 counsel for hundreds of other putative wage-and-hour class-action lawsuits pending in various
26 state and federal jurisdictions throughout California.

27 8. My extensive experience in litigating employment wage and hour matters has been
28 integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and

1 generally negotiating fair and reasonable class and PAGA action settlements. Practice in the
2 narrow field of wage and hour and PAGA litigation requires skill and knowledge concerning the
3 constantly evolving substantive law (state and federal), as well as the procedural law of class
4 action litigation and the unique PAGA requirements. In this action, I am fully equipped to use the
5 skills and knowledge I have developed through more than a decade of prosecuting and defending
6 wage and hour actions to fairly and adequately represent the interests of the Aggrieved
7 Employees. Therefore, on the account of my resources, experience, and knowledge, I am well-
8 qualified to act as PAGA Counsel and represent Plaintiffs and the aggrieved employees and the
9 State of California in this action.

10 9. In the last several years I have had several contested class cases certified. When
11 necessary, we pursue cases on appeal. Based on my experience, I am well-qualified
12 to evaluate the class claims in this action, and to evaluate settlement v. trial and defenses raised. I
13 have negotiated hundreds of class and PAGA action settlements, including many involving the
14 same issues presented in this case. A selection of exemplary cases wherein I have served as lead
15 or co-lead class and PAGA counsel includes: *Galavis v. Patina Restaurant Group, LLC* (LASC
16 BC375225; class size approx. 10,000; co-lead counsel); *Milford v. ADT Security Services, Inc.*
17 (CACD CV08-2236; class size approx. 2,000; lead counsel); *Carreon v. Wolfgang Puck Catering*
18 *and Events, LLC* (LASC BC398569; class size approx. 1,400; lead counsel); *Fluke v. RFG Oil,*
19 *Inc.* (LASC BC403354; class size approx. 1,400; lead counsel); *Urena v. Camachos Restaurant*
20 *(LASC BC365913; class size approx. 887; lead counsel); Smith v. Rio Rancho Pontiac GMC*
21 *Buick Inc.* (LASC BC391187; class size approx. 860; lead counsel); *Callela v. Dolce Group*
22 *(LASC BC364711; class size approx. 600; lead counsel); Vasquez v. The Hollywood Pig n*
23 *Whistle LP* (LASC BC335075; class size approx. 600; lead counsel); *Goldman v. Aorta*
24 *Restaurant Operating LP* (LASC BC379688; class size approx. 300; lead counsel); *Sink-Crilly v.*
25 *Centex Homes* (CACD CV09-2476; class size approx. 250; lead counsel); *Uiley v. Cranbrook*
26 *Partners Inc.* (LASC BC392813; class size approx. 200; lead counsel); *Garcia v. California*
27 *Credits Group* (LASC BC353213; class size approx. 160; lead counsel); *Afanasyev v. Miller*
28 *Infiniti, Inc.* (LASC BC350788; class size approx. 160; lead counsel); *Morris v. Gymboree, Inc.*

(LASC BC393270; class size approx. 150; lead counsel); *Ortega v. AJC Sandblasting, Inc.*
(LASC BC378806; class size approx. 140; lead counsel); *Lulejyan v. Jim Falk Motors of Beverly Hills, Inc.* (LASC BC398459; class size approx. 72; lead counsel); *Rylko v. The Griddle Café, Inc.*
(LASC BC386126; class size approx. 70; lead counsel); *Healy v. Siemens IT Solutions and Services, Inc.* (Santa Clara Superior Court 108CV113479; class size approx. 60; lead counsel).

10. Additionally, the following are examples of some of my cases which have resulted in favorable settlements for the employee class members and aggrieved employees I have represented along with our firm's senior counsel with David Yeremian & Associates, Inc. and D.Law, Inc., Alvin B. Lindsay, in the last few years:

- a) *Rowser v. Trunk Club, Inc.*, CD Cal. Case No. 2:17-cv-05064-DSF-RAO (Hon. Dale S. Fischer).
- b) *Rodriguez v PD Products, Inc.*, Los Angeles County Superior Court, Case No. BC696710 (Hon. Mauren E. Nelson).
- c) *Basiliali v Allegiant Air, LLC*, CD Cal. Case No. 2:18-cv-3888 RGK (MRWx) (Hon. R. Gary Klausner).
- d) *Hernandez v Fedex Ground Package System, Inc.*, ND Cal. Case No. 3:17-cv-02074-VC (Hon. Vince G. Chhabria).
- e) *Savinovich v Starbucks Corporation, Evolution Fresh, Inc. et al.*, Santa Cruz County Superior Court, Case No. 17CV02050 (Hon. Paul Burdick).
- f) *Verdugo v Denali Water Solutions, LLC*, CD Cal Case No. 5:18-cv-00170-ODW (SHK) (Hon. Otis D. Wright II).
- g) *Zepeda v MasTec Network Solutions, LLC, et al.*, CD Cal. Case No. 5:18-cv-00749-VAP-SHK (Hon. Virginia A. Phillips).
- h) *Sanchez v Pacific Southwest Container, Inc.*, Stanislaus County Superior Court, Case No. 2028679 (Hon. Marie Sovey Silveira).
- i) *Danelian v Medix Staffing Solutions, Inc. and City of Hope National Medical Center*, Los Angeles County Superior Court, Case No. BC649846 (Hon. Kenneth R. Freeman).

- j) *Sanchez v AM Retail Group*, ND Cal. Case No. 3:18-cv-00287-JCS (Hon. Joseph C. Spero);
- k) *Orr v PetVet Care Centers (California), Inc. et al.*, Santa Clara County Case No. 19CV354063 (Hon. Patricia M. Lucas);
- l) *Williams, Baldwin v Staff Pro, Inc.*, Orange County Superior Court, Case No. 30-2016-00890905-CU-OE-CXC (Hon. Randall J. Sherman);
- m) *Rangel v W.W. Grainger, Inc.*, Stanislaus County Superior Court, Case No. CV-18-0030341 (Hon. John D. Freeland);
- n) *Cardiel v MillerCoors LLC*, Los Angeles County Superior Court, Case No. 19STCV02979 (Hon. Rupert A. Byrdsong);
- o) *California Forensic Medical Group Wage and Hour Cases*, JCCP4999, Monterey County Superior Court (Hon. Lydia M. Villarreal).
- p) *Cervantes v RGW Construction, Inc.*, Alameda County Superior Court, Case No. RG16826895 (Hon. Stephen Pulido);
- q) *Cooks v Reliant Real Estate Management, Inc.*, Los Angeles County Superior Court, Case No. 18STCV05531 (Hon. Amy D. Hogue);
- r) *Ornelas v National Storage Affiliates Trust, et al.*, San Francisco County Superior Court, Case No. CGC-18-571421 (Hon. Curtis E.A. Karnow);
- s) *Jiminez, Carrera v Lancaster Burns Construction, Inc.*, Sonoma County Superior Court Case No. SCV-265708 (Hon. Patrick Broderick);
- t) *Moises Cuevas Miranda v. Compass Group USA, Inc. et al.*, Orange County Superior Court, Case No. 30-2019-01110951-CU-OE-CXC (Hon. William Claster);
- u) *Maldonado v. K&R Corporation*, Los Angeles County Superior Court, Case No. 20-STCV-27934 (Hon. Elihu M. Berle);
- v) *Ovidio Gramajo Rodas v. Andrew Chekene Enterprises, Inc.*, Alameda County Case No. RG20057424 (Hon. Stephen Kaus);
- w) *Eduardo Diaz Galan v. Elite Comfort Solutions, LLC*, Los Angeles County Case No. 20STCV35875 (Hon. Carolyn B. Kuhl);

- 1 x) *Richard Amato v Layton Construction Company, LLC*, Santa Clara County Case No.
2 20CV371023 (Hon. Sunil R. Kulkarni);
3 y) *Estela, Daniels, Williams et al. v Pacific Dental Services, LLC*, San Diego County
4 Superior Court Case No. 37-2020-00010251-CU-OE-NC (Hon. Robert P. Dahlquist).

5 **THE SETTLEMENT IS FAIR AND REASONABLE AND WORTHY OF APPROVAL**

6 11. After taking into consideration the risks and expenses posed by further litigation
7 and losing on summary judgment or at trial, PAGA Counsel and the parties believe the PAGA
8 Settlement is fair and reasonable and worthy of approval. Further litigation of this case posed
9 risks of unfavorable rulings on the merits of the various indeterminate legal issues, and the parties
10 disputed the effect of these and other issues on Plaintiff's ability to prevail on summary judgment
11 and at trial.

12 12. It is also always preferable to reach a relatively early resolution of a dispute that
13 saves time and money that would otherwise go towards continuing contested litigation and trial. If
14 this case ended up settling after further litigation, the settlement amount would have to account
15 for the additional costs incurred, and there likely would be less amounts available for Aggrieved
16 Employees and the State of California when a settlement was finalized. The parties were also
17 aware that a trial would be a complicated and expensive proceeding, as well as the likelihood of a
18 long, drawn-out appeal process. The settlement provides real and tangible benefits for Aggrieved
19 Employees and resolution and closure to Defendants in the immediate future. The benefits of this
20 Settlement are not insignificant for anyone, especially given the current economic climate.
21 Consequently, the risk and expense of further litigation outweighed the potential benefit that
22 might have otherwise been gained.

23 13. This analysis compels a conclusion that the settlement is fair, reasonable, and
24 adequate. PAGA Counsel conducted a thorough investigation of the subject wage-and-hour
25 practices and engaged in non-collusive, arm's-length negotiations during two mediation sessions
26 and countless conferences and correspondence in order to reach a settlement. Defendant has
27 agreed to pay fair value to settle Plaintiffs' claims given the existence of legal uncertainty. From
28 PAGA Counsel's substantial experience with wage-and-hour class and PAGA representative

1 action lawsuits, PAGA Counsel believes that this case could not have settled on better terms
2 under the circumstances. Request therefore is made that the PAGA Settlement be granted
3 approval so that those persons whom it was intended to benefit will be afforded the opportunity to
4 determine its adequacy for themselves.

5 **REQUEST FOR ATTORNEYS' FEES AND LITIGATION COSTS**

6 14. As part of the Settlement, Defendant does not object to PAGA Counsel's request
7 for attorneys' fees up to **\$82,250.00** out of a Gross Settlement Amount of **\$235,000.00**. This
8 request is fair, reasonable, and adequate to compensate PAGA Counsel for the substantial work
9 they have put into this case and, moreover, the risk they assumed by taking it in the first place.
10 The attorneys' fees award is intended to reimburse PAGA Counsel for all uncompensated work
11 that they have already done and for all the work they will continue to do in carrying out and
12 overseeing settlement funding and distribution and notice.

13 15. Our firms took this case on a contingent-fee basis against a business represented by
14 a reputable defense firm. When we take contingent cases, we must pay careful attention to the
15 economics involved or one bad case can destroy years of work. Accordingly, when we take
16 contingency cases, we anticipate that we will, if successful, receive a fee that exceeds our normal
17 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the
18 number of hours in a day is limited. Because of this, when we take on one particular matter, we
19 are unable to take on all of the other matters we would otherwise be able to undertake. When
20 PAGA Counsel became involved in this case, we realized the time commitment that it would
21 entail and we were forced to turn down matters that we otherwise should have been able to
22 handle. In sum, this case claimed a significant portion of our time and attention throughout its
23 pendency.

24 16. The parties have agreed that Plaintiff's counsel will seek approval of their
25 reasonably incurred attorneys' fees and costs in connection with requesting approval and
26 dismissals, as authorized under their retainer agreements with Plaintiff and Lab. Code §
27 2699(g)(i). Plaintiff's counsel respectfully submits the requested fees are justified under Labor
28 Code § 2699(g) which calls for the award of reasonable attorneys' fees and costs, and would be

1 even under a lodestar cross-check one might provide in a class settlement context. The requested
2 fees are reasonable for the services provided to Aggrieved Employees and the State of California
3 and for the benefits they are to receive. Indeed, under any lodestar cross-check, the request for
4 one-third of the gross settlement amount is a commonly accepted percentage in these types of
5 case.

6 17. I now provide a summary of the billable hours and fees incurred by D.Law, Inc.
7 and David Yeremian and Associates, Inc. I have compiled these estimates of the number of hours
8 from our review of the pleadings and other documents in our case file, e-mails and other
9 correspondence, notes, calendars, and any contemporaneous time records I maintained along with
10 those addressed by Alvin B. Lindsay in his concurrently filed Declaration. I have invested
11 approximately **42** hours in this action through initial research and filing, initial case management,
12 preparing for and conducting mediation, serving as counsel for Plaintiff, reviewing complaints
13 and other documents, working with the administrator and defense counsel regarding the
14 Settlement and administration and compiling all necessary class data and lists, and in taking this
15 action through the settlement and administration and approval processes. The procedural history
16 provided by Mr. Lindsay in his concurrently filed Lindsay Declaration also further addresses the
17 tasks we have performed and the milestones we have achieved in the case progression during this
18 litigation process. Should the Court wish to further review a breakdown of these tasks or other
19 documentation of our hours incurred for lodestar cross-check, we will promptly provide it.

20 18. Senior counsel for D.Law, Inc., Alvin B. Lindsay, provides a separate Declaration
21 addressing, *inter alia*, the hours he has dedicated to this action. Mr. Lindsay addresses his
22 background, experience, and hourly rate and reports **61.6** total hours invested to date in
23 prosecuting and litigating the action. (Lindsay Decl., ¶¶ 27-29). Additionally, Rose Sorial has also
24 worked as an associate attorney on this matter. She has been a practicing attorney for many years
25 in California and has focused on wage and hour and employment litigation for at least the past
26 twelve years. Ms. Sorial has incurred **39.5** hours to date in this action, including attending to
27 approval motion and administration of the Settlement at hand. Between Mr. Lindsay, Ms. Sorial,
28 and myself, David Yeremian & Associates and D.Law, Inc. have therefore incurred **143.1** total

1 hours in prosecuting this Action.

2 19. PAGA Counsel submits that the required one-third of the common benefit in
3 attorneys' fees are warranted under the PAGA and case authority, as addressed above. See Lab.
4 Code § 2699(g). However, we also submit that a lodestar analysis and cross-check calculations
5 support the requested attorneys' fees.

6 20. PAGA Counsel charges rates commensurate with the prevailing market rates in the
7 Los Angeles area for attorneys of comparable experience and skill in handling complex litigation.
8 The hourly rates for individual lawyers providing declarations who worked on this matter are: (1)
9 David Yeremian - \$850/hr.; (2) Alvin B. Lindsay - \$800/hr.; and (3) Rose Sorial - \$775/hr. The
10 Declarations filed herewith also further address Class Counsel's billable rates along with the
11 billable hour totals they invested in this proceeding.

12 21. Aside from being warranted by our skill, experience, and ability, Class Counsel
13 rates that were used in the application of the lodestar cross-check in this case, are supported by the
14 Laffey Matrix attached hereto as **Exhibit C**. According to the Laffey Matrix, the rates for Class
15 Counsel are all less than the prevailing market rates – specifically David Yeremian \$850 v.
16 \$1,141 (20+ years), Alvin B. Lindsay \$800 v. \$1,141 (20+ years), and Rose Sorial \$775 v. \$1,000
17 (12+ years). Therefore, for lodestar cross-check purposes, using these rates and the above
18 summary of attorney hours and as summarized in our Declarations, I estimate I have invested **42**
19 hours for a total of **\$35,700.00** in attorneys' fees (\$850/hr x 42 hours = \$35,700). Mr. Lindsay
20 explains his experience, background, and the **61.6** total hours he estimates investing in this action
21 (Lindsay Decl., ¶¶ 27-29), resulting in **\$49,280.00** in attorneys' fees generated (\$800/hr x 61.6
22 hours = \$52,640). Rose Sorial invested **39.5** hours in this action resulting in **\$30,612.50** in
23 attorneys' fees generated (\$775/hr x 39.5 hours = \$30,612.50). Therefore, Counsel has
24 collectively incurred **143.1** hours and **\$115,592.50** in fees.

25 ///

26 ///

27 ///

22. The below table summarizes Class Counsel's total hours, billables, and costs:

<u>Attorney/Firm</u>	Total Hours	Total Billables	Costs
David Yeremian	42	\$35,700.00	\$19,280.00
Alvin B. Lindsay	61.6	\$49,280.00	
Rose Sorial	39.5	\$30,612.50	
Totals:	143.1	\$115,592.50	\$19,280.00

Therefore, without considering the hours invested in this action by their paralegals and staff, Class Counsel has incurred at least **143** total hours and **\$115,592.50** in attorneys' fees for lodestar purposes. The requested fee award of **\$82,250.00** therefore is less than the billable hours incurred by PAGA Counsel and requires no multiplier. Given the results obtained, and the fees and costs provisions under the PAGA, settlement approval of the reasonable terms is well-justified in this instance. This is especially true given the efficient resolution that is preferable to unnecessarily incurring more billable hours through contested motion practice and discovery wars and trial.

23. PAGA Counsel's Costs/Expenses: The Litigation Costs for PAGA Counsel are also to be awarded under the Settlement Agreement, and I therefore address those collectively incurred by David Yeremian & Associates, Inc. and D.Law, Inc. to date. Attached as **Exhibit B** to this Declaration is the Costs Log for David Yeremian & Associates and D.Law providing a detailed listing of the costs we have incurred in connection with this action, which total **\$19,280.00**. The lion's share of these costs were incurred in connection with mediation, and the others listed are all reasonably incurred and were necessary to the prosecution of this action. PAGA Counsel respectfully requests the Court award their cumulative costs of **\$19,280.00**.

CONCLUSION AS TO THE SETTLEMENT AND ITS REASONABLENESS

24. To my knowledge, there are no conflicts that exist which would impair the ability of Plaintiffs to serve as representatives of the State and other aggrieved employees. I believe the Plaintiffs fully understand and embrace their roles, and have greatly assisted our offices in the investigation and prosecution of the claims asserted in the case.

25. I am not aware of a more practical or economic alternative procedure, which might be used to adjudicate the liability and issues relating to the claims for civil penalties asserted

1 against Defendants in this action in a fairer or more efficient manner. I, as well as my firm, David
2 Yeremian & Associates, Inc., and my co-counsel stood ready and able to commit the resources
3 necessary to litigate this case through final judgment and funding and distribution.

4 26. PAGA Counsel are experienced and qualified to evaluate the Class claims and to
5 evaluate the risks and potential outcome of further litigation and the propriety of settlement on a
6 fully informed basis. The parties have thoroughly investigated and evaluated the factual strengths
7 and weaknesses of this case and engaged in extensive investigation and discovery reflected above
8 to support the Settlement. PAGA Counsel relied upon the extensive information and
9 documentation produced through investigation and exchange of documents and information with
10 Defense counsel.

11 27. Counsel on both sides share the view this is a fair and reasonable settlement in
12 light of the complexities of the case, the state of the law, the uncertainties of the outcome of
13 litigation, and based on a realistic assessment of the strengths and weaknesses of the parties'
14 respective cases and extensive legal and factual research. The opinion of counsel is also based on
15 an assessment of the risks of proceeding with the litigation through trial and through appeal as
16 compared to the value of a settlement at this time. Given the risks inherent in litigation and the
17 defenses asserted, this Settlement is fair, adequate, and reasonable and in the best interests of the
18 State of California and the Aggrieved Employees, and should be approved.
19 I declare under penalty of perjury under the laws of the State of California that the foregoing is
20 true and correct.

21 Executed this 21st day of January, 2025, at Glendale, California.

22 
23 _____
24 David Yeremian

EXHIBIT A

D.LAW, INC.

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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. Lon Hurwitz

Dept.: CX103

**PAGA SETTLEMENT AGREEMENT
AND RELEASE**

Original Complaint filed: July 27, 2023

First Amended Complaint: October 27, 2023

Trial Date: None set

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

5 1. **DEFINITIONS**

6 1.1. “Action” means Plaintiff’s lawsuit alleging wage and hour violations against Defendant
7 captioned *Erick Harmon v. Carrington Mortgage Services, LLC*, Case No. 30-2023-01339188-
8 CU-OE-CXC, filed on July 27, 2023, and pending in Superior Court of the State of California,
9 County of Orange.

10 1.2. “Administrator” means Apex Class Action, LLC, the neutral entity the Parties have
11 agreed to appoint to administer the Settlement.

12 1.3. “Administration Costs” means the amount to be paid to the Administrator from the Gross
13 Settlement Amount for administration of this Settlement, not to exceed \$5,500.00 (Five Thousand
14 Five Hundred Dollars and No Cents).

15 1.4. “Aggrieved Employees” means and includes all individuals who worked for Defendant
16 as hourly non-exempt employees in Defendant’s Loss Mitigation Department in California at any
17 time during the PAGA Period.

18 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in
19 Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address,
20 Social Security number, and number of PAGA Pay Periods worked during the PAGA Period.

21 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and
22 search for current Aggrieved Employee mailing addresses using all reasonably available sources,
23 methods and means including, but not limited to, the National Change of Address database, skip
24 traces, and direct contact by the Administrator with Aggrieved Employees.

25 1.7. “Approval Order” means the Court’s Order Granting Approval of the Settlement.

26 1.8. “Court” means the Superior Court of California, County of Orange.

27 1.9. “Defendant” means Carrington Mortgage Services, LLC.

28 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

1 (\$20,000.00). Defendant will not oppose PAGA Counsel's request for attorneys' fees and costs
2 in the amount provided for in this paragraph. PAGA Counsel Fees and Costs will be paid out of
3 the Gross Settlement Amount. To the extent that the Court approves less than the amount of
4 attorneys' fees or costs requested, the difference between the requested and awarded amounts will
5 be added to the Net Settlement Amount for payment of the LWDA PAGA Payment.

6 1.21. "PAGA Notice" means Plaintiff's July 27, 2023 letter to Defendant and the LWDA
7 providing notice pursuant to Labor Code section 2699.3, subd.(a).

8 1.22. "PAGA Penalties" means the total PAGA civil penalties payment to be paid from the
9 Gross Settlement Amount and is defined similarly as the NSA, with both calling for an allocation
10 of 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

11 1.23. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee
12 worked for Defendant for at least one day during the PAGA Period.

13 1.24. "PAGA Period" means the period from July 27, 2022 to the date the Court enters its
14 Approval Order.

15 1.25. "Plaintiff" means Erick F. Harmon, the named plaintiff in the Action.

16 1.26. "Released Parties" means: Defendant and each of its current and former parent
17 companies, owners, subsidiaries, divisions, affiliated or related persons or entities, members, and
18 managers, and all of their respective officers, directors, employees, partners, managing agents,
19 shareholders, members, managers, attorneys, agents, executors, insurers, and assigns.

20 1.27. "Settlement Notice" means an explanatory letter similar to that attached hereto as
21 Exhibit A to be sent by the Administrator to Aggrieved Employees.

22 2. **RECITALS.**

23 2.1. On July 27, 2023, Plaintiff commenced this Action by filing a Class Action Complaint
24 against Defendant alleging eleven wage and hour causes of action. Simultaneously, Plaintiff gave
25 timely written notice to Defendant and the LWDA by sending the PAGA Notice pursuant to Labor
26 Code section 2699.3, subd.(a). Plaintiff filed a First Amended Complaint ("FAC") adding a cause
27 of action for PAGA penalties under Labor Code §§ 2698 *et seq.* on October 27, 2023.
28

1 2.2. Shortly after initiating the Action, the Parties met and conferred regarding the allegations
2 in the FAC and enforceability of an arbitration agreement signed by Plaintiff. After much
3 consideration, the Parties agreed to try and resolve the matter through mediation. The Parties
4 scheduled a mediation with Deborah Saxe.

5 2.3. On March 6, 2024, the Parties participated in an all-day mediation with Deborah Saxe.
6 Although the Parties were not able to agree settle the Action that day, the Parties continued to
7 work cooperatively with the mediator and were able to execute a term sheet setting forth the
8 general terms of this Settlement. After further extensive settlement discussions, the Parties
9 entered into this Agreement.

10 2.4. The Parties have each independently analyzed and investigated the facts and law relevant
11 to this case through informal discovery, including, but not limited to, the employment policies,
12 procedures, and practices implicated by the FAC and/or the PAGA Notice; a sampling of
13 timekeeping records, payroll records, and wage statements relating to Plaintiff and other non-
14 exempt employees on whose behalf the FAC and/or the PAGA Notice are asserted; and
15 summaries of data pertaining to the number of employees allegedly affected by the policies,
16 procedures, and practices implicated by the FAC and/or the PAGA Notice.

17 2.5. After evaluating the strengths and weaknesses of their respective positions, after
18 considering the time, expense, and risk associated with litigating this case to judgment, and after
19 engaging in arm's-length settlement negotiations through informed counsel with the assistance of
20 a mediator, the Parties agreed to fully, finally, and exclusively resolve the Released Claims as to
21 Plaintiff and the Aggrieved Employees, subject to Court approval.

22 2.6. At the time of filing the motion for approval of this Settlement with the Court, Plaintiff's
23 counsel will file a Request for Dismissal of the class claims without prejudice in accordance with
24 Rule 3.770 of the California Rules of Court. Defendant's obligations under this Agreement are
25 contingent on the Court dismissing the class claims alleged in the FAC. Defendant denies the
26 allegations in the FAC and PAGA Notice, denies any failure to comply with the laws identified
27 in in the FAC and PAGA Notice, and denies any and all liability for the causes of action alleged
28 in the FAC and PAGA Notice.

1 2.7. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of
2 any other pending matter or action asserting claims that will be extinguished or affected by the
3 Settlement. The parties also entered into a separate individual settlement agreement addressing
4 the general release Plaintiff is providing to Defendant and the related consideration.

5 **3. TERMS OF SETTLEMENT.**

6 3.1. GROSS SETTLEMENT AMOUNT. Defendant will pay a non-reversionary Gross
7 Settlement Amount ("GSA") in the amount of \$235,000.00 (Two Hundred Thirty-Five Thousand
8 Dollars) to fully settle, resolve, and extinguish all claims asserted in the Action, including without
9 limitation all claims asserted in the PAGA Notice referenced in Plaintiff's FAC in the Action.
10 The Parties stipulate and agree that the GSA covers and satisfies all amounts necessary to settle
11 the Action including, without limitation, all PAGA Counsel Fees and Costs, and all
12 Administration Costs. The Administrator will disburse the entire GSA without asking or requiring
13 Aggrieved Employees to submit any claim as a condition of payment. None of the GSA will revert
14 to Defendant. The parties also entered into a separate individual settlement agreement addressing
15 the general release Plaintiff is providing to Defendant and the related consideration.

16 3.2. FUNDING OF GROSS SETTLEMENT AMOUNT. Defendant shall fully fund the
17 Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days
18 after the Effective Date.

19 3.3. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT. The Administrator will
20 make the following payments from the Gross Settlement Amount, in the amounts specified by the
21 Court in the Approval Order:

22 3.3.1. To PAGA Counsel: A payment for PAGA Counsel Fees of not more than 35% of
23 the GSA, which is currently estimated to be \$82,250.00, and PAGA Counsel Costs of not more
24 than \$20,000.00. Defendant will not oppose requests for these payments provided that they do
25 not exceed these amounts. In the event the Court approves PAGA Counsel Fees and Costs less
26 than the amounts requested, the Administrator will allocate the remainder to the Net Settlement
27 Amount. The Administrator will pay PAGA Counsel Fees and Costs using one or more IRS 1099
28

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

1 Administrator other than a professional relationship arising out of prior experiences administering
2 settlements.

3 4.2. AGGRIEVED EMPLOYEE PAY PERIODS. Based on a review of its records to date,
4 Defendant estimates there are 217 Aggrieved Employees who collectively worked a total of 8,005
5 PAGA Pay Periods during the PAGA Period.

6 4.3. AGGRIEVED EMPLOYEE DATA. Not later than fourteen (14) days after the Effective
7 Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a
8 Microsoft Excel spreadsheet. This information will include the name, most last-known mailing
9 address, social security number, and number of PAGA pay periods worked for each Aggrieved
10 Employee during the PAGA Period. The list shall also include the sum total of all PAGA Pay
11 Periods worked by Aggrieved Employees during the PAGA Period. As social security numbers
12 are included in the list, the Settlement Administrator will maintain the list in confidence, and
13 access shall be limited to those with a need to use the list as part of the administration of the
14 Settlement.

15 4.3.1. Defendant's Continuing Duty Regarding Aggrieved Employee Data: Defendant has
16 a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved
17 Employee Data omitted employee identifying information and to provide corrected or updated
18 Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline
19 by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties
20 and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise
21 resolve any issues related to missing or omitted Aggrieved Employee Data.

22 4.4. CALCULATION OF INDIVIDUAL PAGA PAYMENTS: The Settlement
23 Administrator will calculate the amount to be received by each Aggrieved Employee. Within
24 seven (7) days of receiving the Aggrieved Employee Data, the Settlement Administrator will
25 circulate to counsel for both Parties an anonymized spreadsheet containing the estimated
26 Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said
27 payments. The Settlement Administrator shall obtain approval from all counsel of the calculations
28 before mailing Individual PAGA Payments.

1 4.5. DISTRIBUTION OF PAYMENTS FROM THE GSA. Within 10 days after Defendant
2 funds the GSA, the Administrator will mail checks for all Individual PAGA Payments along with
3 an explanatory letter (“Settlement Notice”), LWDA PAGA Payment, Administration Costs, and
4 PAGA Counsel Fees and Costs. Disbursement of PAGA Counsel Fees and Costs shall not precede
5 disbursement of Individual PAGA Payments.

6 4.5.1. Individual PAGA Payments with Settlement Notice. The Administrator will issue
7 checks for the Individual PAGA Payments and send the Individual PAGA Payments with the
8 Settlement Notice to the Aggrieved Employees via First Class U.S. Mail, postage prepaid.
9 Individual PAGA Payments will remain negotiable for 180 days and Aggrieved Employees will
10 have 180 days from the date of mailing to cash their Individual PAGA Payments. The face of
11 each check shall prominently state the date when the check will be voided (“void date”). The
12 Administrator will cancel all checks not cashed by the void date. The Administrator will send
13 checks for Individual PAGA Payments to all Aggrieved Employees. Before mailing any checks,
14 the Settlement Administrator must update the recipients’ mailing addresses using the National
15 Change of Address Database. If an Individual PAGA Payment is returned to the Administrator
16 with a forwarding address provided by the United States Postal Service, the Administrator will
17 promptly resend the check to the Aggrieved Employee at the forwarding address, but this re-
18 mailing will not extend the 180-day period to cash the check.

19 4.5.2. Aggrieved Employee Address Search. The Administrator must conduct an
20 Aggrieved Employee Address Search for all Aggrieved Employee’s whose checks are returned
21 undelivered without USPS forwarding address. Within seven days of receiving a returned check
22 the Administrator must re-mail checks to the USPS forwarding address provided or to an address
23 ascertained through the Aggrieved Employee Address Search. The Administrator need not take
24 further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as
25 undelivered. The Administrator shall promptly send a replacement check to any Aggrieved
26 Employee whose original check was lost or misplaced, requested by the Aggrieved Employee
27 prior to the void date.
28

1 4.5.3. Uncashed Checks. For any Aggrieved Employee whose Individual PAGA Payment
2 check is uncashed and cancelled after the void date, the Administrator shall transmit the funds
3 represented by such checks to the California Controller's Unclaimed Property Fund in the name
4 of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of
5 California Code of Civil Procedure Section 384, subd. (b).

6 4.5.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer
7 any additional benefits or make any additional payments to Aggrieved Employees (such as 401(k)
8 contributions or bonuses) beyond those specified in this Agreement.

9 4.6. FINAL ACCOUNTING REPORT BY SETTLEMENT ADMINISTRATOR. Within 10
10 days after the Administrator disburses all funds in the GSA, the Administrator will provide PAGA
11 Counsel and Defense Counsel with a final report detailing its disbursements by employee
12 identification number only of all payments made under this Agreement. At least 14 days before
13 any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and
14 Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of
15 all payments required under this Agreement. PAGA Counsel is responsible for filing the
16 Administrator's declaration in Court.

17 5. **RELEASE OF CLAIMS**. As of the Effective Date, all Aggrieved Employees, the State
18 of California, the LWDA, and Plaintiff, in consideration of the PAGA Payment, shall be bound
19 by this Agreement and shall have recourse exclusively to the benefits, rights, and remedies
20 provided hereunder. Plaintiff and Aggrieved Employees (on behalf of themselves and their
21 respective former and present representatives, agents, attorneys, heirs, administrators, successors,
22 and assigns), and the State of California, shall be deemed to have, and by operation of the
23 Approval Order, fully, finally, forever, unconditionally, and irrevocably released, relinquished,
24 and discharged each and all of the Released Parties from any and all claims for PAGA penalties
25 that were alleged in the Action and PAGA Notice, or reasonably could have been alleged, based
26 on the facts stated in the FAC and Plaintiff's PAGA Notice that occurred during the PAGA
27 Period.
28

1 6. **REQUEST FOR APPROVAL OF SETTLEMENT.** The Parties will cooperate in
2 obtaining through an unopposed or joint motion, an order from the Court approving the terms of
3 this Agreement at the earliest possible date following the execution of this Agreement. PAGA
4 Counsel shall be responsible for filing an unopposed motion for approval of the Settlement.
5 Plaintiff shall provide the requisite notice of this Settlement Agreement to the LWDA on or before
6 the date Plaintiff requests approval of this Settlement Agreement from the Court. If the Court
7 approves this Settlement, the Parties shall request that the Court enter an Order approving the
8 settlement. As part of the request to approve the Settlement, Plaintiff shall submit a proposed
9 order granting approval of this Settlement. The Order granting approval of the settlement shall
10 provide for a dismissal, with prejudice, of the entire Action. The Court shall retain jurisdiction to
11 enforce the terms of this Agreement. This Settlement is expressly conditioned upon the Court
12 entering such an Order approving this Settlement as set forth herein.

13 6.1. **DUTY TO COOPERATE.** The Parties agree to work diligently and cooperatively to
14 have this matter presented to the Court for approval as efficiently as possible. Defendant agrees
15 not to oppose Plaintiff's Motion for Approval provided that it comports with this Settlement
16 Agreement. If the Parties disagree on any aspect of the proposed Motion for Approval and/or the
17 supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously
18 work together on behalf of the Parties by meeting and conferring, in good faith, to resolve the
19 disagreement. If the Court does not grant Approval or conditions Approval on any material
20 change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together
21 on behalf of the Parties by meeting and conferring, in good faith, to modify the Agreement and
22 otherwise satisfy the Court's concerns.

23 6.2. **CONFIDENTIALITY PRIOR TO APPROVAL.** Plaintiff, PAGA Counsel, Defendant
24 and Defense Counsel separately agree that, until the motion for approval of the Settlement is filed,
25 they and each of them will not disclose, disseminate and/or publicize, or cause or permit another
26 person to disclose, disseminate or publicize, any of the terms of the Agreement directly or
27 indirectly, specifically or generally, to any person, corporation, association, government agency,
28 or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be

1 instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent
2 necessary to report income to appropriate taxing authorities; (4) in response to a court order or
3 subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
4 agency. PAGA counsel may put publicly available information about the Settlement in any
5 description of their experience or the like in order to describe their experience to a court. Plaintiff
6 and PAGA Counsel shall not issue a press release, hold a press conference, publish information
7 about the settlement on any website, or otherwise publicize the settlement. This paragraph does
8 not restrict PAGA Counsel's communications with Aggrieved Employees in accordance with
9 PAGA Counsel's ethical obligations owed to Aggrieved Employees.

10 7. **ESCALATOR CLAUSE**. Based on its records, Defendant represented that, as of March 7,
11 2024, (1) there were 217 Aggrieved Employees with a total of 8,005 PAGA Pay Periods. If the
12 number of total PAGA Pay Periods during the PAGA Period increases by more than 10% percent
13 from the total number of PAGA Pay Periods (i.e. an increase of 801 or more PAGA Pay Periods),
14 then Defendant may (1) elect to end the PAGA Period on the date in which the number reaches
15 8,806, or (2) increase the GSA in proportion to the number of total PAGA Pay Periods in the
16 PAGA Period in excess of 10%. For example, if the final number of total PAGA Pay Periods for
17 the PAGA Period increases by 12% over 8,005 PAGA Pay Periods, the GSA will increase by 2%.

18 8. **CONTINUING JURISDICTION OF THE COURT**. Pursuant to Cal. Code of Civ. Proc.
19 § 664.6, the Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the
20 Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or
21 Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-
22 Judgment matters as are permitted by law.

23 9. **AMENDED JUDGMENT**. If any amended judgment is required under Cal. Civ. Proc. §
24 384, the Parties will work together in good faith to jointly submit and a proposed amended
25 judgment.

26 10. **ADDITIONAL PROVISIONS**.

27 10.1. **NO ADMISSION OF LIABILITY**. This Agreement represents a compromise and
28 settlement of highly disputed claims. Nothing in this Agreement is intended or should be

1 construed as an admission by Defendant that any of the allegations in the Operative Complaint
2 have merit or that Defendant has any liability for any claims asserted; nor should it be intended
3 or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The
4 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,
5 and will not be admissible in connection with, any litigation (except for proceedings to enforce
6 or effectuate the Settlement and this Agreement).

7 10.2. NO SOLICITATION. The Parties separately agree that they and their respective counsel
8 and employees will not solicit any Aggrieved Employee to opt out of or object to the Settlement,
9 or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict PAGA
10 Counsel's ability to communicate with Aggrieved Employees in accordance with PAGA
11 Counsel's ethical obligations owed to Aggrieved Employees.

12 10.3. INTEGRATED AGREEMENT. Upon execution by all Parties and their counsel, this
13 Agreement together with its attached exhibits shall constitute the entire agreement between the
14 Parties relating to the Settlement, superseding any and all oral representations, warranties,
15 covenants, or inducements made to or by any Party. This Agreement does not supersede or replace
16 the Separate Individual Settlement Agreement addressing Plaintiff's general release.

17 10.4. ATTORNEY AUTHORIZATION. PAGA Counsel and Defense Counsel separately
18 warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all
19 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
20 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
21 terms of this Agreement including any amendments to this Agreement.

22 10.5. COOPERATION. The Parties and their counsel will cooperate with each other and use
23 their best efforts, in good faith, to implement the Settlement by, among other things, modifying
24 the Settlement Agreement, submitting supplemental evidence and supplementing points and
25 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
26 or content of any document necessary to implement the Settlement, or on any modification of the
27 Agreement that may become necessary to implement the Settlement, the Parties will seek the
28 assistance of a mediator and/or the Court for resolution.

1 10.6. NO PRIOR ASSIGNMENTS. The Parties separately represent and warrant that they
2 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
3 or encumber to any person or entity and portion of any liability, claim, demand, action, cause of
4 action, or right released and discharged by the Party in this Settlement.

5 10.7. NO TAX ADVICE. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel
6 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
7 relied upon as such within the meaning of United States Treasury Department Circular 230 (31
8 CFR Part 10, as amended) or otherwise.

9 10.8. MODIFICATION OF AGREEMENT. This Agreement, and all parts of it, may be
10 amended, modified, changed, or waived only by an express written instrument signed by all
11 Parties or their representatives, and approved by the Court.

12 10.9. AGREEMENT BINDING ON SUCCESSORS. This Agreement will be binding upon,
13 and inure to the benefit of, the successors of each of the Parties.

14 10.10. APPLICABLE LAW. All terms and conditions of this Agreement and its exhibits
15 will be governed by and interpreted according to the internal laws of the state of California,
16 without regard to conflict of law principles.

17 10.11. COOPERATION IN DRAFTING. The Parties have cooperated in the drafting and
18 preparation of this Agreement. This Agreement will not be construed against any Party on the
19 basis that the Party was the drafter or participated in the drafting.

20 10.12. CONFIDENTIALITY. To the extent permitted by law, all agreements made, and
21 orders entered during Action and in this Agreement relating to the confidentiality of information
22 shall survive the execution of this Agreement.

23 10.13. CALENDAR DAYS. Unless otherwise noted, all reference to “days” in this
24 Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement
25 falls on a weekend or federal legal holiday, such date or deadline shall be on the first business
26 day thereafter.

27 10.14. EXECUTION IN COUNTERPARTS. This Agreement may be executed in one or
28 more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of

1 this Agreement shall be accepted as an original. All executed counterparts and each of them will
 2 be deemed to be one and the same instrument if counsel for the Parties will exchange between
 3 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
 4 the existence and contents of this Agreement.

5 10.15. STAY OF LITIGATION. The Parties agree that upon the execution of this
 6 Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The
 7 Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330
 8 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this
 9 settlement process.

10 IT IS SO AGREED.

11 By the parties:

12 _____
 13 Plaintiff Erick F. Harmon
 14 Date: _____

DocuSigned by:

Ginger Crawford

F85D0120479B49C...

Defendant Carrington Mortgage Services, LLC

By: Ginger Crawford

Position: EVP, HR Operations

Date: 6/10/2024

16 Approved by counsel:

18 DATED: May 16, 2024

D.LAW, INC.

19 BY: _____

David Yeremian

Alvin B. Lindsay

Tonia Fonseca

Attorneys for Plaintiff Erick F. Harmon and others
 similarly aggrieved

24 DATED: June 10, 2024

BUCHALTER, A PROFESSIONAL CORPORATION

25 BY: *Kalley Aman*

Kalley Aman

Kathryn B. Fox

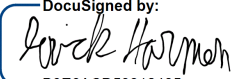
Attorneys for Defendant CARRINGTON
 MORTGAGE SERVICES, LLC

1 this Agreement shall be accepted as an original. All executed counterparts and each of them will
 2 be deemed to be one and the same instrument if counsel for the Parties will exchange between
 3 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
 4 the existence and contents of this Agreement.

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 8 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this
 9 settlement process.

10 IT IS SO AGREED.

11 By the parties:

12 DocuSigned by:

 13 B9E6ACD59312485...

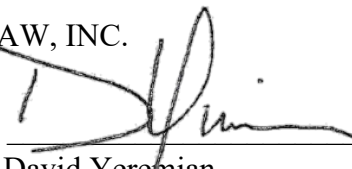
14 Plaintiff Erick F. Harmon
 Date: 6/14/2024

Defendant Carrington Mortgage Services, LLC
 By: _____
 Position: _____
 Date: _____

16 Approved by counsel:

18 DATED: June 17, 2024

D.LAW, INC.

19 BY: 

20 David Yeremian
 21 Alvin B. Lindsay
 Tonia Fonseca
 Attorneys for Plaintiff Erick F. Harmon and others
 22 similarly aggrieved

24 DATED: May 16, 2024

BUCHALTER, A PROFESSIONAL CORPORATION

26 BY: _____

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

EXHIBIT B

LAFFEY MATRIX

[History](#)[Case Law](#)[See the Matrix](#)[Contact us](#)[Home](#)

In general, American courts operate under what is known as the "American Rule" which requires each party to bear the burden for its own legal fees. The Supreme Court has upheld this principle on many occasions for a number of reasons. For example, the knowledge that a loss means paying the other side's legal fees might prohibit plaintiffs from bringing suit or defendants from defending themselves. Nor should a party be penalized for bringing suit or defending itself. Determining proper fees would become an administrative nightmare. Fee awards might also drive attorneys fees up, by removing the pressure of the market and replacing it with the force of the bench.

In certain circumstances, however, both the courts and Congress have found it appropriate to authorize fee-shifting. Especially in the area of Civil Rights and Environmental Law, fee-shifting provisions have been built into statutes. The expense of quality legal counsel should not prohibit private citizens from bringing suit to uphold these laws which are for the common good. There are more than 150 statutes that allow for fee-shifting, among them the Clean Air Act, the Americans with Disabilities Act, the Individuals with Disabilities Education Act, the Rehabilitation Act, the Civil Rights Act, and the Back Pay act.

After years of wrangling over the matter of attorney fee hourly rates, the Court in *Laffey v. Northwest Airlines, Inc.*, 572 F.Supp. 354, 371 (D.D.C. 1983) ruled that hourly rates for attorneys practicing civil law in the Washington, DC metropolitan area could be categorized by years in practice and adjusted yearly for inflation.

The Department of Justice (DOJ) crafted its own rules for, and maintains, its version of the Laffey Matrix (see [http://www.usdoj.gov/usao/dc/Divisions / Civil_Division/Laffey_Matrix_7.html](http://www.usdoj.gov/usao/dc/Divisions/Civil_Division/Laffey_Matrix_7.html))

After scrutinizing the DOJ's methodology of setting and adjusting hourly rates for the Matrix, reviewing recent court decisions and contacting an expert economist, many firms in the Baltimore-Washington area (and due to FLRA/MSPB rulings, around the country) now utilize the [Adjusted Laffey Matrix](#) .

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
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			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/24- 5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389

6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $\frac{1}{2}$ Years Out of Law School $\frac{1}{2}$ is calculated from June 1 of each year, when most law students graduate. $\frac{1}{2}$ 1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $\frac{1}{2}$ 4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $\frac{1}{2}$ 1-3" from June 1, 1996 until May 31, 1999, would move into tier $\frac{1}{2}$ 4-7" on June 1, 1999, and tier $\frac{1}{2}$ 8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT C

Harmon v. Carrington Mortgage Services, LLC

Litigation Costs

Details		Provider		Service Date		Amount
LWDA Letter		LWDA		7/27/23		\$ 75.00
Summons and Complaint		Rapid Legal		7/31/23		\$ 462.73
Process of Service - Summons and Complaint		Rapid Legal		8/2/23		\$ 82.40
Proof of Service of Summons		Rapid Legal		8/8/23		\$ 14.68
Notice of Case Management Conference (1.16.24)		Rapid Legal		8/23/23		\$ 14.68
Notice of Association		Rapid Legal		9/14/23		\$ 15.71
Notice and Acknowledgment of Receipt		Rapid Legal		11/17/23		\$ 15.71
Joint Stipulation re Mediation & Req to Cont CMC (1.16.24)		Rapid Legal		1/13/24		\$ 461.70
First Amended Complaint		Rapid Legal		1/26/24		\$ 13.65
Mediation (3.7.24)		JAMS, Inc.		2/5/24		\$ 13,000.00
Expert Analysis Fee		Berger Consulting		3/14/24		\$ 4,900.00
Document Retrieval		Superior Court of California - County of Orange		4/1/24		\$ 7.50
Document Retrieval		Superior Court of California - County of Orange		4/4/24		\$ 7.50
Case Management Statement (4.15.24)		Rapid Legal		4/6/24		\$ 13.65
Document Retrieval		Superior Court of California - County of Orange		4/29/24		\$ 22.50
Joint Case Management Statement (6.26.24)		Rapid Legal		6/20/24		\$ 13.65
Document Retrieval		Superior Court of California - County of Orange		6/26/24		\$ 15.00
Joint Case Management Statement (11.13.24); Ntc of Association of Atty & Change of Address		Rapid Legal		11/8/24		\$ 13.65
Notice of Unavailability		Rapid Legal		12/12/24		\$ 13.65
Approval Motion		Rapid Legal		1/21/25		\$ 84.64
Decl re Final Disbursement of Funds		Rapid Legal				\$ 16.00
Notice of Final Order & Judgment		Rapid Legal				\$ 16.00

Total	\$ 19,280.00
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