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Attorneys for Plaintiff KALIYAH MARTIN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN FRANCISCO

KALIYAH MARTIN, an individual, on behalf
of herself and on behalf of all persons similarly
situated,

Plaintiff,

vs.

BLEND LABS, INC. a Delaware Corporation;
BLEND OPERATIONS, INC., a Delaware
Corporation; BLEND TITLE INSURANCE
AGENCY, INC., a Delaware Corporation;
BLEND INSURANCE AGENCY, INC., a
Delaware Corporation; and DOES 1-50,
Inclusive,

Defendants.

Case No. CGC-22-600420

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: January 4, 2024
Time: 9:30 a.m.
Dept.: 302

This matter having come before the Honorable Judge Samuel K. Feng of the Superior Court of the State of California, in and for the County of San Francisco, at _____ on _____, with Jean-Claude Lapuyade, Esq., of the JCL Law Firm, APC and Shani O. Zakay, Esq. of the Zakay Law Group, APLC as counsel for Plaintiff KAYLIYAH MARTIN (“Plaintiff”), and Neil Eddington, Esq., Eugene Ryu, Esq., and Penny Chen Fox, Esq. of K&L Gates LLP, appearing for Defendants BLEND LABS, INC., a Delaware Corporation, BLEND OPERATIONS, INC., a Delaware Corporation; BLEND TITLE INSURANCE AGENCY, INC., a Delaware Corporation; and BLEND INSURANCE AGENCY, INC., a Delaware Corporation (hereinafter, collectively, “Defendants”). The Court, having carefully considered the briefs, argument of counsel and all the matters presented to the Court, and good cause appearing, hereby GRANTS Plaintiff’s Motion for Preliminary Approval of Class Action Settlement.

IT IS HEREBY ORDERED:

1. The Court preliminarily approves the Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims (“Settlement Agreement” or “Agreement”), a true and correct copy of which is attached hereto as **Exhibit “1”**. This is based on the Court’s determination that the Settlement Agreement is within the range of possible final approval, pursuant to the provisions of Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.

2. This Order incorporates by reference the definitions in the Agreement, and all terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

3. Subject to the terms of the Settlement Agreement, the Gross Settlement Amount that Defendants shall pay is Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00). It appears to the Court on a preliminary basis that the settlement amount and terms are fair, adequate, and reasonable as to all Class Members when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues. It further appears that investigation and research have been conducted such that counsel for the Parties are able to reasonably evaluate their respective positions. It further appears to the Court that settlement at this time will avoid substantial additional

costs by all Parties, as well as avoid the delay and risks that would be presented by the further prosecution of the litigation. It further appears that the Settlement has been reached as the result of intensive, serious, and non-collusive arms-length negotiations.

4. The Court preliminarily finds that the Settlement appears to be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. The Court has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily finds that the monetary settlement awards made available to the Class Members are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues.

5. Plaintiff seeks Attorneys' Fees and Expenses in the amount of up-to one-third of the Gross Settlement Amount for attorneys' fees, currently estimated at One Hundred Sixteen Thousand, Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$116,666.67), plus a reimbursement of reasonably incurred expenses in an amount of up to Twenty-Five Thousand Dollars (\$25,000.00), and proposed Enhancement Payment to the Class Representative, Kaliyah Martin, in an amount of not more than Five Thousand Dollars and Zero Cents (\$5,000.00) to each Plaintiff. While these awards appear to be within the range of reasonableness, the Court will not approve the Attorneys Fees and Expenses, or the Enhancement Payment until the Final Approval Hearing.

6. The Court recognizes that Plaintiff and Defendants stipulate and agree to certification of a class for settlement purposes only. This stipulation will not be deemed admissible in this, or any other proceeding should this Settlement not become final. For settlement purposes only, the Court conditionally certifies the following Class:

All non-exempt employees who are or previously were employed by Defendants and performed work in California during the period between August 30, 2018 to the earlier of Preliminary Approval or the date on which the number of workweeks during the Class Period exceeds 14,300, excluding employees who entered into release agreements with Defendants.

1 7. The Court concludes that, for settlement purposes only, the Class meets the requirements
2 for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is
3 ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b)
4 common questions of law and fact predominate, and there is a well-defined community of interest
5 amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the
6 Class Representative are typical of the claims of the Class Members; (d) the Class Representative will
7 fairly and adequately protect the interests of the Class Members; (e) a class action is superior to other
8 available methods for the efficient adjudication of this controversy; and (f) Class Counsel are qualified
9 to act as counsel for the Class Representative in her individual capacity and as the representative of the
10 Class Members.

11 8. The Court provisionally appoints Plaintiff Kaliyah Martin as the representatives of the
12 Class.

13 9. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of JCL Law Firm, APC
14 and Shani Zakay, of Zakay Law Group, APLC as Class Counsel for the Class Members.

15 10. The Court hereby approves, as to form and content, the Proposed Class Notice (“Class
16 Notice”) attached to the Agreement as **Exhibit “A”**. The Court finds that the notice appears to fully
17 and accurately inform the Class Members and Aggrieved Employees of all material elements of the
18 proposed Settlement, including the right of any Class Member to be excluded from the Class by
19 submitting a written request for exclusion, and of each Class Member’s right and opportunity to object
20 to the Settlement. The Court further finds that the distribution of the notices substantially in the manner
21 and form set forth in the Agreement and this Order meets the requirements of due process, is the most
22 reasonable notice under the circumstances, and shall constitute due and sufficient notice to all persons
23 entitled thereto. The Court orders the mailing of the notices by first class mail, pursuant to the terms
24 set forth in the Agreement.

25 11. The Court hereby appoints Apex Class Action LLC, as Settlement Administrator. Within
26 twenty-one (21) days after the Preliminary Approval Date, Defendants shall provide the Settlement
27

1 Administrator with the Class Data, including information regarding Class Members that Defendants
2 will in good faith compile from its records, including each Class Member's full name, last-known
3 mailing address, Social Security number, telephone number, and number of Class Period Workweeks
4 and PAGA Pay Periods. Upon receipt of the Class Data, and no later than twenty-eight (28) days after
5 Preliminary Approval of the Settlement, the Settlement Administrator shall mail and email copies of
6 the Notice Packet to all Class Members via first class U.S. Mail.

7 12. The Court hereby preliminarily approves the proposed procedure for exclusion from the
8 Settlement. Any Class Member may individually choose to opt out of and be excluded from the
9 Settlement as provided in the Notice by following the instructions for requesting exclusion from the
10 Settlement of the Released Class Claims that are set forth in the Notice. All requests for exclusion must
11 be postmarked or received by the Response Deadline which is forty-five (45) calendar days after the
12 Settlement Administrator mails the Notice Packets to Class Members or, in the case of re-mailed
13 Notice, not more than fifteen (15) days from the original Response Deadline. Any such person who
14 chooses to opt out of and be excluded from the Settlement will not be entitled to an Individual
15 Settlement Payment under the Settlement and will not be bound by the Settlement, or have any right to
16 object, appeal or comment thereon. Class Members who have not requested exclusion shall be bound
17 by all determinations of the Court, the Agreement, and Judgment.

18 13. Any Class Member who has not opted out may appear at the final approval hearing and
19 may object or express the Class Member's views regarding the Settlement and may present evidence
20 and file briefs or other papers that may be proper and relevant to the issues to be heard and determined
21 by the Court as provided in the Notice. Class Members will have forty-five (45) calendar days from the
22 date the Settlement Administrator mails the Class Notice to postmark their written objections to the
23 Settlement Administrator.

24 14. A final approval hearing shall be held before this Court on January 4, 2024 at
25 9:30 AM/PM in Department 302 of the San Francisco County Superior Court to determine all
26 necessary matters concerning the Settlement, including: whether the proposed settlement of the Action

1 on the terms and conditions provided for in the Agreement is fair, adequate and reasonable and should
2 be finally approved by the Court; whether an Order Granting Final Approval should be entered herein;
3 whether the plan of allocation contained in the Agreement should be approved as fair, adequate and
4 reasonable to the Class; and to finally approve the Attorneys' Fees and Expenses, Enhancement
5 Payment, and the Settlement Administration Expenses. All papers in support of the motion for final
6 approval and the motion for Attorneys' Fees and Expenses and Enhancement Payment shall be filed
7 with the Court and served on all counsel within twenty-eight (28) days following the expiration of the
8 Response Deadline.

9 15. In the event the Settlement does not become effective in accordance with the terms of the
10 Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become
11 effective for any reason, this Settlement Agreement shall be rendered null and void and shall be vacated,
12 and the Parties shall revert to their respective positions as of before entering into the Agreement. In
13 such an event, the Court's orders regarding the Settlement, including this Preliminary Approval Order,
14 shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is intended to
15 alter the terms of the Settlement Agreement with respect to the effect of the Settlement Agreement if it
16 is not approved.

17 16. The Court reserves the right to adjourn or continue the date of the final approval hearing
18 and all dates provided for in the Agreement without further notice to Class Members and retains
19 jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.
20
21
22

23 Dated: _____

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

ZAKAY LAW GROUP, APLC

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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

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KALIYAH MARTIN, an individual, on behalf
of herself and on behalf of all persons similarly
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BLEND LABS, INC. a Delaware Corporation;
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AGENCY, INC., a Delaware Corporation;
BLEND INSURANCE AGENCY, INC., a
Delaware Corporation; and DOES 1-50,
Inclusive,

Defendants.

Case No.: CGC-22-600420

[Action Filed June 28, 2022]

**STIPULATION OF SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between Plaintiff KALIYAH MARTIN (hereinafter “Plaintiff”), an individual,
3 on behalf of the Settlement Class, and in her representative capacity on behalf of the State of
4 California and the Aggrieved Employees, and Defendants BLEND LABS, INC., BLEND
5 OPERATIONS, INC., BLEND TITLE INSURANCE AGENCY, INC., and BLEND INSURANCE
6 AGENCY, INC. (hereinafter “Defendants”):

7 **I. DEFINITIONS**

- 8 A. “Action” shall mean the putative class action lawsuit designated *Kaliyah Martin v.*
9 *Blend Labs, Inc., et al.*, San Francisco County Superior Court, Case No. CGC-22-
10 600420, filed June 28, 2022.
- 11 B. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
12 Class and PAGA Action and Release of Claims.
- 13 C. “Aggrieved Employees” means all non-exempt employees who are or previously
14 were employed by Defendants and performed work in California during the PAGA
15 Period.
- 16 D. “Aggrieved Employee Payment” means the payments made to each Aggrieved
17 Employee.
- 18 E. “Attorneys’ Expenses” means the award of expenses that the Court authorizes to be
19 paid to Class Counsel for the expenses they have incurred of up to \$25,000.00. Class
20 Counsel will be issued an IRS Form 1099 by the Settlement Administrator for the
21 Attorneys’ Expenses detailed in this Section and shall be solely and legally
22 responsible for paying all applicable taxes on the payment made pursuant to this
23 Section.
- 24 F. “Attorneys’ Fees” means the award of fees that the Court authorizes to be paid to
25 Class Counsel for the services they have rendered, and will render, to Plaintiff and
26 the Settlement Class through the dismissal of in the Action, currently not to exceed
27 one-third of the Gross Settlement Amount currently estimated to be \$116,666.67 out
28 of \$350,000.00. Attorneys’ fees will be divided between Class Counsel as follows

(50% to JCL Law Firm, APC, and 50% to Zakay Law Group, APLC). The attorneys' fees awarded are subject to the Court's approval. Class Counsel will be issued an IRS Form 1099 for the Attorneys' Fees detailed in this Section and shall be solely and legally responsible for paying all applicable taxes on the payment made pursuant to this Section.

G. "Class" or the "Class Members" means all non-exempt employees who are or previously were employed by Defendants and performed work in California during the Class Period, excluding employees who entered into release agreements with Defendants.

H. "Class Counsel" shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, and Shani Zakay of Zakay Law Group, APLC.

I. "Class Data" means information regarding Class Members that Defendants will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; Social Security Number; start dates and end dates of employment, and number of active workweeks (if different than the weeks between the start date and end date and easily calculable).

J. "Class Period" means the period between August 30, 2018 to the earlier of Preliminary Approval or the date on which the number of workweeks during the Class Period exceeds 14,300.

K. "Class Representative" shall mean plaintiff Kaliyah Martin.

L. "Court" means the Superior Court for the State of California, County of San Francisco currently presiding over the Action.

M. "Defendants" shall mean Blend Labs, Inc., Blend Operations, Inc., Blend Title Insurance Agency, Inc., and Blend Insurance Agency, Inc.

N. "Effective Date" means the date that all of the following events have occurred: (i) the Court has held a formal fairness hearing and entered the Court's Final Order and Judgment; and (ii) the later of the following events: (A) when the period for filing any

1 appeal, writ, intervention, or other proceeding opposing the Settlement has elapsed
2 without any appeal, writ, intervention, or other proceeding having been filed; (B)
3 when any appeal, writ, intervention, or other proceeding opposing the Settlement has
4 been dismissed finally and conclusively with no right to pursue further remedies or
5 relief; or (C) when any appeal, writ, intervention, or other proceeding has upheld the
6 Court's Final Order and Judgment with no right to pursue further remedies or relief..

7 O. "Enhancement Award" means an award in the amount of \$5,000 or in an amount that
8 does not exceed \$5,000 that the Court authorizes to be paid to the Class
9 Representative, in addition to her Individual Settlement Payment and her individual
10 Aggrieved Employee Payment, in recognition of her efforts and risks in assisting with
11 the prosecution of the Action.

12 P. "Funding Date" shall mean the date by which Defendants have paid the entire Gross
13 Settlement Amount to the Claims Administrator in accord with the terms of this
14 Agreement. Defendants will pay the Gross Settlement Amount to the Claims
15 Administrator with 30 days of the Effective Date, as defined in (N).

16 Q. "Gross Settlement Amount" means Three Hundred Fifty Thousand Dollars
17 (\$350,000.00) that Defendants must pay into the QSF in connection with this
18 Settlement, inclusive of the sum of Individual Settlement Payments, Administration
19 Costs, Attorneys' Fees and Attorneys' Expenses, Enhancement Award, and the
20 PAGA Penalties. **Exclusive** of the employer's share of payroll tax, if any, triggered
21 by any payment under this Settlement, \$350,000 shall be the maximum sum that
22 Defendants will be required to pay under this Settlement.

23 R. "Individual Settlement Payments" means the amount payable from the Net Settlement
24 Amount to each Settlement Class Member and excludes any amounts distributed to
25 Aggrieved Employees pursuant to PAGA.

26 S. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less
27 Attorneys' Fees and Attorneys' Expenses, Enhancement Award, PAGA Penalties,
28 and Administration Costs.

- 1 T. “Notice Packet” means the Class Notice to be provided to the Class Members by the
2 Settlement Administrator in the form set forth as **Exhibit A** to this Agreement (other
3 than formatting changes to facilitate printing by the Settlement Administrator).
- 4 U. “Operative Complaint” shall mean the First Amended Complaint on file in the Action
5 filed on March 28, 2023.
- 6 V. “PAGA” means the California Labor Code Private Attorneys General Act of 2004,
7 Labor Code § 2698 *et seq.*
- 8 W. “PAGA Payment Ratio” means the respective Pay Periods during the PAGA Period
9 for each Aggrieved Employee divided by the sum total of the Pay Periods for all
10 Aggrieved Employees during the PAGA Period.
- 11 X. “PAGA Pay Periods,” for purposes of calculating the distribution of the Aggrieved
12 Employee Payment, as defined herein, means the number of pay periods of
13 employment during the PAGA Period that each Aggrieved Employee worked in
14 California.
- 15 Y. “PAGA Period” means the period between April 21, 2021 to the earlier of Preliminary
16 Approval or the date on which the number of workweeks during the Class Period
17 exceeds 14,300.
- 18 Z. “PAGA Penalties” shall mean Fifty Thousand Dollars (\$50,000.00) to be allocated
19 from the Gross Settlement Amount, with 25% of the payment going to the Aggrieved
20 Employees (“Aggrieved Employee Payment”) and 75% of the payment going to the
21 Labor and Workforce Development Agency (“LWDA Payment”). The amount of the
22 PAGA Penalties is subject to Court approval pursuant to California Labor Code
23 section 2699(l). Any reallocation of the Gross Settlement Amount to increase or
24 decrease the PAGA Penalties will not constitute grounds by either party to void this
25 Agreement, so long as the Gross Settlement Amount remains the same.
- 26 AA. “Parties” means Plaintiff and Defendants, collectively, and “Party” shall mean either
27 Plaintiff or Defendants, individually.
28

- 1 BB. "Payment Ratio" means the respective Workweeks for each Class Member divided
2 by the sum total Workweeks for all Class Members.
- 3 CC. "Plaintiff" shall mean Kaliyah Martin.
- 4 DD. "QSF" means the Qualified Settlement Fund established, designated, and maintained
5 by the Settlement Administrator to fund the Gross Settlement Amount.
- 6 EE. "Released Class Claims" shall mean all class claims alleged in the Operative
7 Complaint or that could have been alleged under the same or similar facts.
8 Allegations and/or claims pleaded in the Operative Complaint specifically include:
9 alleged unfair competition in violation of California Business and Professions Code
10 section 17200 arising from violations of the California Labor Code sections listed
11 hereinbelow; failure to pay minimum wages in violation of California Labor Code
12 sections 1194, 1197 and 1197.1; failure to pay overtime wages in violation of
13 California Labor Code sections 510 et seq., 512, 518, 558, and 1194; failure to provide
14 required meal periods in violation of California Labor Code sections 226.7 and 512
15 and the applicable IWC Wage Order; failure to provide required rest periods in
16 violation of California Labor Code sections 226.7 and 512 and the applicable IWC
17 Wage Order; failure to provide accurate itemized statements in violation of California
18 Labor Code section 226; failure to provide wages when due in violation of California
19 Labor Code sections 201, 202 and 203; failure to reimburse employees for required
20 business expenses in violation of California Labor Code section 2802; violation of
21 California Labor Code section 246; violation of California Labor Code section 221,
22 violation of California Labor Code section 204; any and all other claims under
23 California common law, the California Labor Code including but not limited to the
24 Fair Labor Standards Act, California Industrial Welfare Commission Wage Orders,
25 and the California Business and Professions Code alleged in or that could have been
26 alleged under the same or similar facts, allegations and/or claims pleaded in the
27 operative complaint. In addition, to the extent required by law, the cashing of the
28 settlement check by the Settlement Class Member shall be deemed to be an opt-in for

1 purposes of releasing Released Parties from any claims predicated under the FLSA
2 that could have been alleged under the same or similar facts, allegations and/or claims
3 pleaded in the operative complaint. The Settlement Administrator shall include a
4 legend on the settlement check stating “By cashing this check, I am opting into the
5 settlement in *Kaliyah Martin v. Blend Labs, Inc., Blend Operations, Inc., Blend Title*
6 *Insurance Agency, Inc. and Blend Insurance Agency, Inc.*, Superior Court of
7 California, County of San Francisco Case No. CGC-22- 600420, under FLSA, 29
8 U.S.C. § 216(b), and releasing the Released Claims described in the Settlement
9 Agreement.”

10 FF. “Released PAGA Claims” means all PAGA claims alleged in the operative complaint
11 and Plaintiff’s PAGA notice to the LWDA which occurred during the PAGA Period,
12 including but not limited to alleged violations of California Labor Code sections 201,
13 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 246, 510, 512,
14 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1199, 2802, and 2804 and
15 the applicable Industrial Wage Order(s) and expressly excluding all other claims,
16 including claims for vested benefits, wrongful termination, unemployment insurance,
17 disability, social security, workers’ compensation, and PAGA claims outside of the
18 PAGA Period.

19 GG. “Released Parties” shall mean Defendants and any of its past, present and future direct
20 or indirect parents, subsidiaries, predecessors, successors, affiliates, and all entities
21 that could be held to be joint employers, as well as each of its or their past, present
22 and future officers, directors, employees, partners, members, shareholders and agents,
23 attorneys, insurers, reinsurers, and any individual or entity which could be jointly
24 liable with Defendants.

25 II. “Response Deadline” means the date forty-five (45) calendar days after the Settlement
26 Administrator mails Notice Packets to Class Members and the last date on which
27 Class Members may submit requests for exclusion or objections to the Settlement.
28

Defendants have the unilateral right to nullify the Settlement if more than 10 Class Members opt out of the Settlement.

JJ. “Settlement” means the disposition of the Action pursuant to this Agreement.

KK. “Settlement Administrator” means Apex Class Action, 20371 Irvine Ave., Suite 110, Newport Beach, CA 92660 Tel: 1-800-355-0700. The Settlement Administrator establishes, designates and maintains, as a QSF under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which the amount of the Gross Settlement Amount is deposited for the purpose of resolving the claims of Settlement Class Members. The Settlement Administrator shall maintain the funds until distribution in an account(s) segregated from the assets of Defendants and any person related to Defendants. *All accrued interest shall be paid and distributed to the Settlement Class Members as part of their respective Individual Settlement Payment.*

LL. “Settlement Class Members” or “Settlement Class” means all Class Members who have not submitted a timely and valid request for exclusion as provided in this Agreement.

MM. “Workweeks,” for purposes of calculating the distribution of the Net Settlement Amount, means the number of weeks of employment during the Class Period that each Class Member performed work for Defendants in California.

II. RECITALS

A. On April 21, 2022, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendants.

B. On June 28, 2022, Plaintiff filed the Action in San Francisco County Superior Court, alleging a single cause of action for:

1. Violation of the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*).

C. On August 30, 2022, Plaintiff filed a separate action in Los Angeles County Superior Court (the “LASC Class Action”), alleging claims for:

1. Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*);

2. Failure to Pay Minimum Wages (Labor Code §§ 1194, 1197 and 1197.1)
 3. Failure to Pay Overtime Wages (Labor Code §§ 510 *et seq.*);
 4. Failure to Provide Required Meal Periods (Labor Code §§ 226.7, 512 and the applicable Wage Order);
 5. Failure to Provide Required Rest Periods (Labor Code §§ 226.7, 512 and the applicable wage order);
 6. Failure to Provide Accurate Itemized Statements (Labor Code § 226);
 7. Failure to Pay Wages When Due (Labor Code §§ 201, 202, 203);
 8. Failure to Reimburse for Required Expenses (Labor Code § 2802).
- D. On March 28, 2023, Plaintiff filed the operative First Amended Complaint in this Action, adding the eight causes of action alleged in the LASC Class Action.
- E. On April 19, 2023, the LASC Class Action was dismissed in its entirety, without prejudice.
- F. The Class Representative believes she has claims based on alleged violations of the California Labor Code, and the Industrial Welfare Commission Wage Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.
- G. Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representative are owed, and further contends that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times it complied with the California Labor Code and the Industrial Welfare Commission Wage Orders.
- H. The Class Representative is represented by Class Counsel. Class Counsel investigated the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through informal discovery, and reviewing documents and information provided by Defendants

1 pursuant to informal requests for information to prepare for mediation. Defendants
2 produced for the purpose of settlement negotiations certain employment data
3 concerning the Settlement Class, which Class Counsel reviewed and analyzed with
4 the assistance of an expert. Based on their own independent investigation and
5 evaluation, Class Counsel are of the opinion that the Settlement with Defendants is
6 fair, reasonable, and adequate, and is in the best interest of the Settlement Class
7 considering all known facts and circumstances, including the risks of significant
8 delay, defenses asserted by Defendants, uncertainties regarding class certification,
9 and numerous potential appellate issues. Although it denies any liability, Defendants
10 are agreeing to this Settlement solely to avoid the inconveniences and cost of further
11 litigation. The Parties and their counsel have agreed to settle the claims on the terms
12 set forth in this Agreement.

13 I. On May 24, 2023, the Parties participated in mediation presided over by Steven
14 Rottman, Esq., an experienced mediator of wage and hour class and PAGA actions.
15 The mediation concluded with a settlement, which was subsequently memorialized in
16 the form of a Memorandum of Understanding.

17 J. This Agreement replaces and supersedes the Memorandum of Understanding and any
18 other agreements, understandings, or representations between the Parties. This
19 Agreement represents a compromise and settlement of highly disputed claims.
20 Nothing in this Agreement is intended or will be construed as an admission by
21 Defendants that the claims in the Action of Plaintiff or the Class Members have merit
22 or that Defendants bear any liability to Plaintiff or the Class on those claims or any
23 other claims, or as an admission by Plaintiff that Defendants' defenses in the Action
24 have merit.

25 K. The Parties believe that the Settlement is fair, reasonable and adequate. The
26 Settlement was arrived at through arm's-length negotiations, taking into account all
27 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
28 attendant to continuing the Action through trial and any appeal. Accordingly, the

Parties desire to settle, compromise and discharge all disputes and claims arising from or relating to the Action fully, finally, and forever.

- L. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendants reserve the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

III. TERMS OF AGREEMENT

A. Settlement Consideration and Settlement Payments by Defendants.

1. Settlement Consideration. In full and complete settlement of the Action, and in exchange for the releases set forth below, Defendants will pay the sum of the Individual Settlement Payments, the Enhancement Award, the Attorneys' Fees and Attorneys' Expenses, PAGA Penalties, and the Administration Costs, as specified in this Agreement, equal to the Gross Settlement Amount of Three Hundred and Fifty Thousand Dollars (\$350,000.00). The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendants. Other than the Defendants' share of employer payroll taxes and as provided in Section III.A.2 below, Defendants shall not be required to pay more than the Gross Settlement Amount.

2. Class Size. Defendants represent that the Settlement Class was comprised of 170 individuals who collectively worked approximately 13,000 workweeks ("Projected Workweeks") during the Class Period. No later than twenty-one (21) days after preliminary approval of the settlement, Defendants will provide the Settlement Administrator with the Class Data.

3. Settlement Payment. Defendants shall deposit the Gross Settlement Amount into the QSF, through the Settlement Administrator by the Funding Date.
- Defendants' Share of Payroll Taxes. Defendants' share of employer side

1 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
2 together with the Gross Settlement Amount on the Funding Date.

3 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
4 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
5 release the Released Parties from the Released Class Claims for the Class Period.

6 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
7 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
8 California release the Released Parties from the Released PAGA Claims for the PAGA
9 Period. As a result of this release, the Aggrieved Employees shall be precluded from
10 bringing claims against Defendants for the Released PAGA Claims.

11 D. Conditions Precedent: This Settlement will become final and effective only upon the
12 occurrence of all of the following events:

- 13 1. The Court enters an order granting preliminary approval of the Settlement;
- 14 2. The Court enters an order granting final approval of the Settlement and a Final
15 Judgment;
- 16 3. If an objector appears at the final approval hearing, the time for appeal of the
17 Final Judgment and Order Granting Final Approval of Class Action
18 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
19 any appeal from the Judgment and Order Granting Final Approval of Class
20 Action Settlement; and
- 21 4. Defendants fully fund the Gross Settlement Amount.

22 E. Nullification of Settlement Agreement. If this Settlement Agreement is not
23 preliminarily or finally approved by the Court, fails to become effective, or is reversed,
24 withdrawn or modified by the Court, or in any way prevents or prohibits Defendants
25 from obtaining a complete resolution of the Released Claims, or if Defendants fail to
26 fully fund the Gross Settlement Amount, or if Defendants exercise their unilateral right
27 to nullify the Settlement if more than 10 Class Members opt out of the Settlement:
28

- 1 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
2 and shall not be admissible in any judicial, administrative or arbitral
3 proceeding for any purpose or with respect to any issue, substantive or
4 procedural;
- 5 2. The conditional class certification (obtained for any purpose) shall be void *ab*
6 *initio* and of no force or effect, and shall not be admissible in any judicial,
7 administrative or arbitral proceeding for any purpose or with respect to any
8 issue, substantive or procedural;
- 9 3. None of the Parties to this Settlement will be deemed to have waived any
10 claims, objections, defenses or arguments in the Action, including with respect
11 to the issue of class certification; and
- 12 4. If Defendants exercise their unilateral right to nullify the Settlement,
13 Defendants shall bear the sole responsibility for all Settlement Administration
14 Costs incurred to the date of nullification.

15 F. Certification of the Settlement Class. The Parties stipulate to conditional class
16 certification of the Class for the Class Period for purposes of settlement only. In the
17 event that this Settlement is not approved by the Court, fails to become effective, or is
18 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
19 Defendants from obtaining a complete resolution of the Released Claims, the
20 conditional class certification (obtained for any purpose) shall be void *ab initio* and of
21 no force or effect, and shall not be admissible in any judicial, administrative or arbitral
22 proceeding for any purpose or with respect to any issue, substantive or procedural.

23 G. Tax Liability. The Parties make no representations as to the tax treatment or legal
24 effect of the payments called for, and Class Members and/or Aggrieved Employees are
25 not relying on any statement or representation by the Parties in this regard. Class
26 Members and/or Aggrieved Employees understand and agree that they will be
27 responsible for the payment of any taxes and penalties assessed on the Individual
28 Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved

1 Employee Payment described and will be solely responsible for any penalties or other
2 obligations resulting from their personal tax reporting of Individual Settlement
3 Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee
4 Payment.

5 H. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
6 the "acknowledging party" and each Party to this Agreement other than the
7 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
8 of this Agreement, and no written communication or disclosure between or among the
9 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
10 such communication or disclosure constitute or be construed or be relied upon as, tax
11 advice within the meaning of United States Treasury Department circular 230 (31 CFR
12 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
13 her or its own, independent legal and tax counsel for advice (including tax advice) in
14 connection with this Agreement, (b) has not entered into this Agreement based upon
15 the recommendation of any other Party or any attorney or advisor to any other Party,
16 and (c) is not entitled to rely upon any communication or disclosure by any attorney
17 or adviser to any other party to avoid any tax penalty that may be imposed on the
18 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
19 any limitation that protects the confidentiality of any such attorney's or adviser's tax
20 strategies (regardless of whether such limitation is legally binding) upon disclosure by
21 the acknowledging party of the tax treatment or tax structure of any transaction,
22 including any transaction contemplated by this Agreement.

23 I. Preliminary Approval Motion. Class Counsel shall draft and file the motion for
24 preliminary approval within sixty (60) calendar days of execution of the Memorandum
25 of Understanding on May 24, 2023, or within the statutory timeframe as determined
26 by the Court's setting of the preliminary approval hearing, which shall include this
27 Settlement Agreement. Plaintiff will provide Defendants with a draft of the Motion at
28

1 least 3 business days prior to the filing of the Motion to give Defendants an opportunity
2 to propose changes or additions to the Motion.

3 J. Settlement Administrator. The Settlement Administrator shall be responsible for:
4 establishing and administering the QSF; calculating, processing and mailing payments
5 to the Class Representative, Class Counsel, LWDA and Class Members; printing and
6 mailing the Notice Packets to the Class Members as directed by the Court; receiving
7 and reporting the objections and requests for exclusion; calculating, deducting and
8 remitting all legally required taxes from Individual Settlement Payments and
9 distributing tax forms for the Wage Portion, the Penalties Portion and the Interest
10 Portion of the Individual Settlement Payments and/or Aggrieved Employees'
11 individual shares of the Aggrieved Employee Payment; processing and mailing tax
12 payments to the appropriate state and federal taxing authorities; providing
13 declaration(s) as necessary in support of preliminary and/or final approval of this
14 Settlement; and other tasks as the Parties mutually agree or the Court orders the
15 Settlement Administrator to perform. The Settlement Administrator shall keep the
16 Parties timely apprised of the performance of all Settlement Administrator
17 responsibilities by among other things, sending a weekly status report to the Parties'
18 counsel stating the date of the mailing, the of number of Elections Not to Participate
19 in Settlement it receives (including the numbers of valid and deficient), and number of
20 objections received.

21 K. Notice Procedure.

22 1. Class Data. No later than twenty-one (21) calendar days after the Preliminary
23 Approval Date, Defendants shall provide the Settlement Administrator with
24 the Class Data for purposes of preparing and mailing Notice Packets to the
25 Class Members.

26 2. Notice Packets.

27 a) The Notice Packet shall contain the Notice of Class Action Settlement
28 in a form substantially similar to the form attached as **Exhibit A**. The

1 Notice of Class Action Settlement shall inform Class Members and
2 PAGA Class Members that they need not do anything in order to
3 receive an Individual Settlement Payment and/or Aggrieved
4 Employees' individual shares of the Aggrieved Employee Payment
5 and to keep the Settlement Administrator apprised of their current
6 mailing address, to which the Individual Settlement Payments and/or
7 Aggrieved Employees' individual shares of the Aggrieved
8 Employment Payment will be mailed following the Funding Date. The
9 Notice of Class Action Settlement shall set forth the release to be given
10 by all members of the Class who do not request to be excluded from
11 the Settlement Class and/or Aggrieved Employees in exchange for an
12 Individual Settlement Payment and/or Aggrieved Employees'
13 individual shares of the Aggrieved Employment Payment, the number
14 of Workweeks worked by each Class Member during the Class Period
15 and PAGA Period, if any, and the estimated amount of their Individual
16 Settlement Payment if they do not request to be excluded from the
17 Settlement and each Aggrieved Employees' share of the Aggrieved
18 Employment Payment, if any. The Settlement Administrator shall use
19 the Class Data to determine Class Members' Workweeks and PAGA
20 Workweeks. The Notice will also advise the Aggrieved Employees
21 that they will release the Released PAGA Claims and will receive their
22 share of the Aggrieved Employee Payment regardless of whether they
23 request to be excluded from the Settlement.

- 24 b) The Notice Packet's mailing envelope shall include the following
25 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
26 ENTITLED TO PARTICIPATE IN A CLASS ACTION
27 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
28

ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
NOTICE.”

3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than twenty-eight (28) calendar days after preliminary approval of the Settlement, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail and electronic mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.
4. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator.
5. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity, should they disagree with Defendants’ records regarding the start and end dates of employment to provide documentation and/or an explanation to show contrary dates. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator’s determination

1 of the eligibility for and amount of any Individual Settlement Payment shall
2 be binding upon the Class Member and the Parties.

3 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
4 by the Settlement Administrator concerning the administration of the
5 Settlement will be resolved by the Court under the laws of the State of
6 California. Before any such involvement of the Court, counsel for the Parties
7 will confer in good faith to resolve the disputes without the necessity of
8 involving the Court.

9 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
10 Packet shall state that Class Members who wish to exclude themselves from
11 the Settlement must submit a written request for exclusion to the Settlement
12 Administrator by the Response Deadline. The written request for exclusion
13 must state that the Class Member wishes to exclude himself or herself from
14 the Settlement and (1) must contain the name, address, and the last four digits
15 of the Social Security number of the person requesting exclusion; (2) must be
16 signed by the Class Member; (3) must be postmarked or fax stamped by the
17 Response Deadline and returned to the Settlement Administrator at the
18 specified address or fax telephone number; and (4) contain a typewritten or
19 handwritten notice stating in substance that he or she wishes to be excluded
20 from the settlement of the class action lawsuit entitled *Kaliyah Martin v. Blend*
21 *Labs, Inc., et al.*, currently pending in Superior Court of San Francisco, Case
22 No. CGC-22-600420. The request for exclusion will not be valid if it is not
23 timely submitted, if it is not signed by the Class Member, or if it does not
24 contain the name and address and last four digits of the Social Security number
25 of the Class Member. The date of the postmark on the mailing envelope or fax
26 stamp on the request for exclusion shall be the exclusive means used to
27 determine whether the request for exclusion was timely submitted. Any Class
28 Member who submits a timely request for exclusion shall be excluded from

1 the Settlement Class will not be entitled to an Individual Settlement Payment
2 and will not be otherwise bound by the terms of the Settlement or have any
3 right to object, appeal or comment thereon. However, any Class Member that
4 submits a timely request for exclusion that is also a member of the Aggrieved
5 Employees will still receive his/her pro rata share of the PAGA Settlement, as
6 specified below, and in consideration, will be bound by the Release by the
7 Aggrieved Employees as set forth herein. Settlement Class Members who fail
8 to submit a valid and timely request for exclusion on or before the Response
9 Deadline shall be bound by all terms of the Settlement and any final judgment
10 entered in this Action if the Settlement is approved by the Court. No later than
11 twenty-one (21) calendar days after the Response Deadline, the Settlement
12 Administrator shall provide counsel for the Parties with a final list of the Class
13 Members who have timely submitted timely requests for exclusion. At no time
14 shall any of the Parties or their counsel seek to solicit or otherwise encourage
15 members of the Class to submit requests for exclusion from the Settlement.

- 16 8. Objections. The Notice of Class Action Settlement contained in the Notice
17 Packet shall state that Class Members who wish to object to the Settlement
18 may submit to the Settlement Administrator a written statement of objection
19 (“Notice of Objection”) by the Response Deadline. The postmark date of
20 mailing shall be deemed the exclusive means for determining that a Notice of
21 Objection was served timely. The Notice of Objection, if in writing, must be
22 signed by the Settlement Class Member and state: (1) the case name and
23 number; (2) the name of the Settlement Class Member; (3) the address of the
24 Settlement Class Member; (4) the last four digits of the Settlement Class
25 Member’s Social Security number; (5) the basis for the objection; and (6) if
26 the Settlement Class Member intends to appear at the Final
27 Approval/Settlement Fairness Hearing. Class Members who fail to make
28 objections in writing in the manner specified above may still make their

1 objections orally at the Final Approval/Settlement Fairness Hearing with the
2 Court's permission. Settlement Class Members will have a right to appear at
3 the Final Approval/Settlement Fairness Hearing to have their objections heard
4 by the Court regardless of whether they submitted a written objection. At no
5 time shall any of the Parties or their counsel seek to solicit or otherwise
6 encourage Class Members to file or serve written objections to the Settlement
7 or appeal from the Order and Final Judgment. Class Members who submit a
8 written request for exclusion may not object to the Settlement. Class Members
9 may not object to the PAGA Penalties. Counsel for the Parties shall file any
10 response to the objections submitted by objecting Class Members, if any, at
11 least five (5) calendar days before the date of the Final Approval Hearing.

12 9. Class Representative and Class Counsel agree to not appeal, opt out of, object
13 to otherwise challenge the Settlement. Class Counsel shall not represent any
14 Class Member for any objection, appeal, or other challenge to the Settlement.

15 L. Funding and Allocation of the Gross Settlement Amount. Defendants are required to
16 pay the Gross Settlement Amount plus any employer's share of payroll taxes as
17 mandated by law within the time specified hereinabove on the Funding Date.

18 1. Calculation of Individual Settlement Payments. Individual Settlement
19 Payments shall be paid from the Net Settlement Amount and shall be paid
20 pursuant to the formula set forth herein. Using the Class Data, the Settlement
21 Administrator shall add up the total number of Workweeks for all Class
22 Members. The respective Workweeks for each Class Member will be divided
23 by the total Workweeks for all Class Members, resulting in the Payment Ratio
24 for each Class Member. Each Class Member's Payment Ratio will then be
25 multiplied by the Net Settlement Amount to calculate each Class Member's
26 estimated Individual Settlement Payments. Each Individual Settlement
27 Payment will be reduced by any legally mandated employee tax withholdings
28 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class

Members who submit valid and timely requests for exclusion will be redistributed to Settlement Class Members who do not submit valid and timely requests for exclusion on a pro rata basis based on their respective Payment Ratios.

2. Calculation of Individual Payments to the Aggrieved Employees. Using the Class Data, the Settlement Administrator shall add up the total number of PAGA Pay Periods for all Aggrieved Employees during the PAGA Period. The respective PAGA Pay Periods for each Aggrieved Employees will be divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting in the “PAGA Payment Ratio” for each Aggrieved Employee. Each Aggrieved Employee’s PAGA Payment Ratio will then be multiplied by the Aggrieved Employee Payment to calculate each Aggrieved Employee’s estimated share of the Aggrieved Employee Payment.
3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as 20% wages (“Wage Portion”) and 80% penalties and pre-judgment interest (“Penalties and Interest Portion”). The Wage Portion of the Individual Settlement Payments shall be reported on IRS Form W-2 and the Penalties and Interest Portion and Interest Portion of the Individual Settlement Payments shall be reported on IRS Form 1099 issued by the Settlement Agreement.
4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved Employee Settlement Payments shall be allocated and treated as 100% penalties and shall be reported on IRS Form 1099.
5. No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Penalties made to Settlement Class Members and/or Aggrieved Employees under this Settlement Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which

1 any Class Members may be eligible, including, but not limited to profit-
2 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
3 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
4 Parties' intention that this Settlement Agreement will not affect any rights,
5 contributions, or amounts to which any Class Members may be entitled under
6 any benefit plans.

7 6. All monies received by Settlement Class Members under the Settlement which
8 are attributable to wages shall constitute income to such Settlement Class
9 Members solely in the year in which such monies actually are received by the
10 Settlement Class Members. It is the intent of the Parties that Individual
11 Settlement Payments and individual shares of the PAGA Penalties provided for
12 in this Settlement agreement are the sole payments to be made by Defendants to
13 Settlement Class Members and/or Aggrieved Employees in connection with this
14 Settlement Agreement, with the exception of Plaintiff, and that the Settlement
15 Class Members and/or Aggrieved Employees are not entitled to any new or
16 additional compensation or benefits as a result of having received the Individual
17 Settlement Payments and/or their shares of the Aggrieved Employee Payment.

18 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
19 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
20 and/or Aggrieved Employees' last known mailing address no later than fifteen
21 (15) days after the Funding Date.

22 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
23 Employees shall remain valid and negotiable for one hundred and eighty (180)
24 days from the date of their issuance. If a Settlement Class Member and/or
25 Aggrieved Employees does not cash his or her settlement check within 90
26 days, the Settlement Administrator will send a letter to such persons, advising
27 that the check will expire after the 180th day, and invite that Settlement Class
28 Member and/or Aggrieved Employees to request reissuance in the event the

1 check was destroyed, lost or misplaced. In the event an Individual Settlement
2 Payment and/or Aggrieved Employees' individual share of the PAGA
3 Penalties check has not been cashed within one hundred and eighty (180) days,
4 all funds represented by such uncashed checks, plus any interest accrued
5 thereon, shall be distributed to the California Controller's Unclaimed Property
6 Fund.

- 7 9. Enhancement Award. In addition to the Individual Settlement Payment as a
8 Settlement Class Member and her individual share of the Aggrieved
9 Employee Payment, Plaintiff will apply to the Court for an award of not more
10 than \$5,000.00, as the Enhancement Award. Defendants will not oppose a
11 Enhancement Award of not more than \$5,000.00 for Plaintiff. The Settlement
12 Administrator shall pay the Enhancement Award, either in the amount stated
13 herein if approved by the Court or some other amount as approved by the
14 Court, to Plaintiff from the Gross Settlement Amount no later than fifteen (15)
15 days after the Funding Date. Any portion of the requested Enhancement
16 Award that is not awarded to the Class Representative shall be part of the Net
17 Settlement Amount and shall be distributed to Settlement Class Members as
18 provided in this Agreement. The Settlement Administrator shall issue an IRS
19 Form 1099 — MISC to Plaintiff for her Enhancement Award. Plaintiff shall
20 be solely and legally responsible to pay any and all applicable taxes on her
21 Enhancement Award and shall hold harmless the Released Parties from any
22 claim or liability for taxes, penalties, or interest arising as a result of the
23 Enhancement Award. Approval of this Settlement shall not be conditioned on
24 Court approval of the requested amount of the Enhancement Award. If the
25 Court reduces or does not approve the requested Enhancement Award,
26 Plaintiff shall not have the right to revoke the Settlement, and it will remain
27 binding.
28

10. Attorneys' Fees and Attorneys' Expenses. Defendants understand Class Counsel will file a motion for or Attorneys' Fees not to exceed one-third of the Gross Settlement Amount currently estimated to be \$116,666.67 **and** Attorneys' Expenses supported by declaration not to exceed Fifteen Thousand Dollars (\$15,000.00). Any awarded Attorneys' Fees and Attorneys' Expenses shall be paid from the Gross Settlement Amount. Any portion of the requested Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall allocate and pay the Attorneys' Fees to Class Counsel from the Gross Settlement Amount no later than fifteen (15) days after the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Attorneys' Fees or Attorneys' Expenses. In the event that the Court reduces or does not approve the requested Attorneys' Fees, Plaintiff and Class Counsel shall not have the right to revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Penalties. Fifty Thousand Dollars (\$50,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA Penalties"). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Penalties (\$37,500.00) to the California Labor and Workforce Development Agency no later than fifteen (15) days after the Funding Date (hereinafter "LWDA Payment"). Twenty-five percent (25%) of the PAGA Penalties (\$12,500.00) will be distributed to the Aggrieved Employees as described in

1 this Agreement (hereinafter “Aggrieved Employee Payment”). For purposes
2 of distributing the PAGA Penalties to the Aggrieved Employees, each
3 Aggrieved Employee shall receive their pro-rata share of the Aggrieved
4 Employee Payment using the PAGA Payment Ratio as defined above.

- 5 12. Administration Costs. The Settlement Administrator shall be paid for the
6 costs of administration of the Settlement from the Gross Settlement Amount.
7 The estimate of the Administration Costs is \$6,000. The Settlement
8 Administrator shall be paid the Administration Costs no later than fifteen (15)
9 days after the Funding Date.

- 10 M. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
11 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
12 twenty-eight (28) days following the expiration of the Response Deadline, which
13 motion shall request final approval of the Settlement and a determination of the
14 amounts payable for the Enhancement Award, the Attorneys’ Fees and Attorneys’
15 Expenses, the PAGA Penalties, and the Administration Costs. Plaintiff will provide
16 Defendants with a draft of the Motion at least 3 business days prior to the filing of the
17 Motion to give Defendants an opportunity to propose changes or additions to the
18 Motion.

- 19 1. Declaration by Settlement Administrator. No later than seven (7) days after
20 the Response Deadline, the Settlement Administrator shall submit a
21 declaration in support of Plaintiff’s motion for final approval of this
22 Settlement detailing the number of Notice Packets mailed and re-mailed to
23 Class Members, the number of undeliverable Notice Packets, the number of
24 timely requests for exclusion, the number of objections received, the amount
25 of the average Individual Settlement Payment and highest Individual
26 Settlement Payment, the Administration Costs, and any other information as
27 the Parties mutually agree or the Court orders the Settlement Administrator to
28 provide.

1 2. Final Approval Order and Judgment. Class Counsel shall present an Order
2 Granting Final Approval of Class Action Settlement to the Court for its
3 approval, and Judgment thereon, at the time Class Counsel files the Motion
4 for Final Approval.

5 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
6 an opportunity for Counsel for Defendants to review the Motions for Preliminary and
7 Final Approval, including the Order Granting Final Approval of Class Action
8 Settlement, and Judgment before filing with the Court. The Parties and their counsel
9 will cooperate with each other and use their best efforts to effect the Court's approval
10 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
11 Judgment.

12 O. Cooperation. The Parties and their counsel will cooperate with each other and use
13 their best efforts to implement the Settlement.

14 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
15 except such proceedings necessary to implement and complete the Settlement, pending
16 the Final Approval/Settlement Fairness Hearing to be conducted by the Court

17 Q. Amendment or Modification. This Agreement may be amended or modified only by
18 a written instrument signed by counsel for all Parties or their successors-in-interest.

19 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
20 Agreement among these Parties relating to the claims asserted in the Action, and no
21 oral or written representations, warranties or inducements have been made to any Party
22 concerning this Agreement or its Exhibit other than the representations, warranties and
23 covenants contained and memorialized in this Agreement and its Exhibit.

24 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
25 represent they are expressly authorized by the Parties whom they represent to negotiate
26 this Agreement and to take all appropriate Action required or permitted to be taken by
27 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
28 documents required to effectuate the terms of this Agreement. The persons signing

1 this Agreement on behalf of Defendants represent and warrant that he/she is authorized
2 to sign this Agreement on behalf of Defendants. Plaintiff represents and warrants that
3 she is authorized to sign this Agreement and that she has not assigned any claim, or
4 part of a claim, covered by this Settlement to a third-party.

5 T. No Public Comment: The Parties and their counsel agree that they will not issue any
6 press releases, initiate any contact with the press, respond to any press inquiry, or have
7 any communication with the press about the fact, amount or terms of the Settlement
8 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
9 of its terms for any marketing or promotional purposes. Nothing herein will restrict
10 Class Counsel from including publicly available information regarding this settlement
11 in future judicial submissions regarding Class Counsel's qualifications and experience.
12 Further, Class Counsel will not include, reference or use the Settlement Agreement for
13 any marketing or promotional purposes, either before or after the Motion for
14 Preliminary Approval is filed.

15 U. Confidentiality. The Parties and their Counsel will not make any public disclosure of
16 the Settlement until after the filing of the motion for preliminary approval of the
17 Settlement. Plaintiff and Class Counsel represent that they have not made any such
18 disclosure. Plaintiff and Class Counsel shall not encourage members of the Class to
19 opt-out or object, or any Aggrieved Employees to intervene or object. Class Counsel
20 will take all steps necessary to ensure that Plaintiff is aware of, and will encourage her
21 to adhere to, the restriction against any public disclosure of the Settlement until after
22 the Settlement is preliminarily approved by the Court, except that Plaintiff's filing of
23 the motion for preliminary approval of the Settlement, which will be public record on
24 the San Francisco County Superior Court's and the California Labor and Workforce
25 Development Agency's websites, will not be considered a breach of this provision.

26 V. Indemnification: Plaintiff and Class Counsel acknowledge and agree that they are and
27 will be responsible for the payment of any and all Federal, State, and Local taxes or
28 penalties associated with their respective allocated portions of the payments described

herein, and agree to indemnify, defend, and hold the Released Parties harmless from any and all claims by any Federal, State, or Local taxing authority that Plaintiff or Class Counsel failed to pay or underpaid their or her or his share of taxes associated with the payments set forth in this Settlement. The Parties acknowledge and agree that Class Counsel is not responsible for the payment of any Federal, State, and Local taxes or penalties associated with payments to Plaintiff and Class Members.

W. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

X. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

Y. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

Z. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

AA. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement and all orders and judgments entered in connection with this Agreement.

BB. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

1 CC. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
2 certification for purposes of this settlement only.

3 DD. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
4 Released Claims have merit and give rise to liability on the part of Defendants.
5 Defendants claim that the Released Claims have no merit and do not give rise to
6 liability. This Agreement is a compromise of disputed claims. Nothing contained in
7 this Agreement and no documents referred to and no action taken to carry out this
8 Agreement may be construed or used as an admission by or against the Defendants or
9 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
10 than as may be specifically set forth herein, each Party shall be responsible for and
11 shall bear its/her own attorney's fees and costs.

12 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

13
14 DATED: Aug 7, 2023


Kaliyah Martin (Aug 7, 2023 18:02 CDT)

15 Kaliyah Martin

16
17 IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

18
19 DATED: _____

20 BLEND LABS, INC., BLEND OPERATIONS, INC.,
21 BLEND INSURANCE AGENCY, INC., and BLEND
22 TITLE INSURANCE AGENCY, INC.

23 _____
Printed Name

24 _____
Title

1 CC. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
2 certification for purposes of this settlement only.

3 DD. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
4 Released Claims have merit and give rise to liability on the part of Defendants.
5 Defendants claim that the Released Claims have no merit and do not give rise to
6 liability. This Agreement is a compromise of disputed claims. Nothing contained in
7 this Agreement and no documents referred to and no action taken to carry out this
8 Agreement may be construed or used as an admission by or against the Defendants or
9 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
10 than as may be specifically set forth herein, each Party shall be responsible for and
11 shall bear its/her own attorney's fees and costs.

12 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

13
14 DATED: _____

15 Kaliyah Martin

16
17 IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

18
19 DATED: August 11, 2023

Peter Frechette

20 BLEND LABS, INC., BLEND OPERATIONS, INC.,
21 BLEND INSURANCE AGENCY, INC., and BLEND
22 TITLE INSURANCE AGENCY, INC.

23 Peter Frechette

24 Printed Name

25 Lead Counsel - Data, Regulations, Business & Legal Affairs

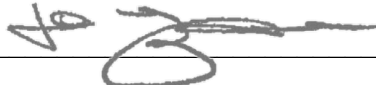
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IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: August 8, 2023

JCL LAW FIRM, A.P.C.

By: 

Attorneys for Plaintiff and the Settlement Class Members

DATED: August 8, 2023

ZAKAY LAW GROUP, APLC

By: 

Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

K&L GATES LLP

By: _____

Eugene C. Ryu
Penny Chen Fox
Neil A. Eddington

Attorneys for Defendants

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IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: _____

JCL LAW FIRM, A.P.C.

By: _____

Attorneys for Plaintiff and the Settlement Class
Members

DATED: _____

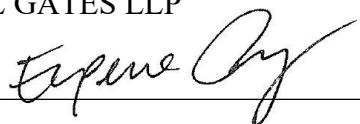
ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiff and the Settlement Class
Members

DATED: 08/11/23 _____

K&L GATES LLP

By:  _____

Eugene C. Ryu
Penny Chen Fox
Neil A. Eddington

Attorneys for Defendants

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Martin v. Blend Labs, Inc., et al., San Francisco County Superior Court Case No. CGC-22-600420)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of San Francisco (the “Court”) has been reached between Plaintiff Kaliyah Martin (“Plaintiff”) and Defendants Blend Labs, Inc., Blend Operations, Inc., Blend Title Insurance Agency, Inc., and Blend Insurance Agency, Inc. (“Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All non-exempt employees who are or previously were employed by Defendants and performed work in California during the Class Period, excluding employees who entered into release agreements with Defendants.

The “Class Period” is the period of time running from August 30, 2018 to the earlier of Preliminary Approval or the date on which the number of workweeks during the Class Period exceeds 14,300.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On June 28, 2022, Plaintiff filed a Complaint against Defendants in the Superior Court of the State of California, County of San Francisco, asserting a single cause of action for: (1) Violation of the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*). On August 30, 2022, Plaintiff filed a separate action in Los Angeles County Superior Court (the “LASC Class Action”), alleging claims for: (1) Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*); (2) Failure to Pay Minimum Wages (Labor Code §§ 1194, 1197 and 1197.1); (3) Failure to Pay Overtime Wages (Labor Code §§ 510 *et seq.*); (4) Failure to Provide Required Meal Periods (Labor Code §§ 226.7, 512 and the applicable Wage Order); (5) Failure to Provide Required Rest Periods (Labor Code §§ 226.7, 512 and the applicable wage order); (6) Failure to Provide Accurate Itemized Statements (Labor Code § 226); (7) Failure to Pay Wages When Due (Labor Code §§ 201, 202, 203); (8) Failure to Reimburse for Required Expenses (Labor Code § 2802). On March 28, 2023, Plaintiff filed the operative First Amended Complaint in this Action, adding the eight causes of action alleged in the LASC Class Action. On April 19, 2023, the LASC Class Action was dismissed in its entirety, without prejudice.

Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representative are owed, and further contends that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times it complied with the California Labor Code and the Industrial Welfare Commission Wage Orders.

On May 24, 2023, the Parties participated in an all-day mediation with Steven Rottman, Esq., a mediator of wage and hour class actions. The mediation concluded with a settlement. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of Three Hundred Fifty Thousand Dollars (\$350,000) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel’s attorneys’ fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payment to the Plaintiff.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$6,000 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.

- Attorneys' Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Gross Settlement Amount (currently \$116,666.67) and a Class Counsel Litigation Expenses Payment of not more than \$25,000 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Payment. Class Representative Service Payment of up to Five Thousand Dollars (\$5,000) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.
- PAGA Payment. A payment of \$50,000.00 relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$37,500.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$12,500.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Participating Class Members"). The Settlement Share for each Participating Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members that occurred during the Class Period and multiplying the result by each individual Participating Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendants' records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Employees. The Net PAGA Amount shall be distributed to PAGA Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Employee during the PAGA Period. "PAGA Employees" all non-exempt employees who are or previously were employed by Defendants and performed work in California during the PAGA Period. The PAGA Period means the period between April 21, 2021 to the earlier of Preliminary Approval or the date on which the number of workweeks during the Class Period exceeds 14,300.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. Twenty percent (20%) of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Eighty percent (80%) of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each PAGA Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to

constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Settlement made to Settlement Class Members and/or Aggrieved Employees under this Settlement Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendants, Plaintiff and the Participating Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all class claims alleged in the operative complaint or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the operative complaint specifically: alleged unfair competition in violation of California Business and Professions Code section 17200 arising from violations of the California Labor Code sections listed hereinbelow; failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1; failure to pay overtime wages in violation of California Labor Code sections 510 et seq., 512, 518, 558, and 1194; failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC Wage Order; failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC Wage Order; failure to provide accurate itemized statements in violation of California Labor Code section 226; failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203; failure to reimburse employees for required business expenses in violation of California Labor Code section 2802; violation of California Labor Code section 246; violation of California Labor Code section 221, violation of California Labor Code section 204; any and all other claims under California common law, the California Labor Code including but not limited to the Fair Labor Standards Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the operative complaint. In addition, to the extent required by law, the cashing of the settlement check by the Settlement Class Member shall be deemed to be an opt-in for purposes of releasing Released Parties from any claims predicated under the FLSA that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the operative complaint.

The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Gross Settlement Amount by Defendants, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all PAGA claims alleged in the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, including but not limited to alleged violations of California Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1199, 2802, and 2804 and the applicable Industrial Wage Order(s) and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue

to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendants' records reflect that you have << _____ >> Workweeks worked during the Class Period (August 30, 2018 through <<INSERT PRELIMINARY APPROVAL DATE OR DATE WW EXCEEDS 14,300>>).

Based on this information, your estimated Settlement Share is << _____ >>.

Defendants' records reflect that you have << _____ >> pay periods worked during the PAGA Period (April 21, 2021 through <<INSERT PRELIMINARY APPROVAL DATE OR DATE WW EXCEEDS 14,300>>).

Based on this information, your estimated PAGA Payment Share is << _____ >>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or fifteen (15) days after the re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: Apex Class Action.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is Apex Class Action, 20371 Irvine Ave., Suite 110, Newport Beach, CA 92660. The request for exclusion must state in substance that the Class Member has read the Class Notice and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Martin v. Blend Labs, Inc., et al.*, currently pending in Superior Court of San Francisco, Case No. CGC-22-600420. The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be

rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is *Martin v. Blend Labs, Inc., et al., Superior Court of San Francisco, Case No. CGC-22-600420*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than [redacted]. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.

JCL Law Firm, APC

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Tel.: (619) 599-8292

Fax: (619) 599-2891

E-Mail: jlapuyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.

Zakay Law Group, APLC

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Tel: (619) 599-8292

Fax: (619) 599-8291

E-Mail: shani@zakaylaw.com

Counsel for Defendants:

Eugene Ryu, Esq.

Penny Chen Fox, Esq.

Neil Eddington, Esq.

K&L GATES LLP

10100 Santa Monica Blvd.

8th Floor

Los Angeles, CA 90067

Tel: 310.553.5000

Fax: 310.553.5001

E-Mail: Gene.Ryu@klgates.com

Penny.Chen@klgates.com

Neil.Eddington@klgates.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 00:00 AM/PM on [redacted], at the San Francisco County Superior Court, Department 610, located at 500 McAllister Street, San Francisco, CA 94102 before Judge Samuel K. Feng. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to *Martin v. Blend Labs, Inc., et al., Superior Court of San Francisco, Case No. CGC-22-600420*, Settlement Administrator, c/o _____.