

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

BUTLER, et al.,

Plaintiffs,

vs.

COUNTRYWIDE HOME LOANS, INC., et al.,

Defendants.

**CLASS ACTION**

Case No. BC 268250

**NOTICE OF CLASS ACTION SETTLEMENT, RIGHT TO FILE CLAIM, AND OPPORTUNITY TO “OPT OUT” OF OR TO OBJECT TO SETTLEMENT; CALCULATION OF SETTLEMENT SHARE; CLAIM FORM; RELEASE; AND CONSENT TO JOIN FORM ENCLOSED**

**To: All persons who have worked as Account Executives (including but not limited to the job titles of Account Executive, Senior Account Executive, Trusted Advisor Account Executive, Bilingual Account Executive, Assumptions Account Executive, and Team Leader/Account Executive) selling home loans at Countrywide Home Loans’ telephone Call Center in Pasadena or Rosemead, California at any time from February 14, 1998 through December 31, 2004.**

**Re: Proposed Class Settlement of Claims for Alleged Unpaid Overtime, Missed Meal Periods, Wage Deductions, and Other Alleged Violations of California and Federal Wage and Hour Laws.**

**PLEASE READ THIS NOTICE CAREFULLY  
IT MAY AFFECT YOUR LEGAL RIGHTS**

**YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT**

**PLEASE DO NOT CONTACT THE COURT OR THE COURT CLERK REGARDING THIS ACTION**

### **I. INTRODUCTION**

This “NOTICE OF CLASS ACTION SETTLEMENT” (“NOTICE”) is to inform you that this court has preliminarily approved a class action settlement between the Class Representative Plaintiffs on behalf of themselves and the previously certified Class of all employees who have worked as Account Executives (including but not limited to the job titles of Account Executive, Senior Account Executive, Trusted Advisor Account Executive, Bilingual Account Executive, Assumptions Account Executive, and Team Leader/Account Executive) selling home loans at Countrywide Home Loans’ telephone Call Center in Pasadena or Rosemead, California (“Class Position”) at any time from February 14, 1998 through December 31, 2004 (“Class Period”),<sup>1</sup> on the one hand, and Defendants Countrywide Home Loans, Inc. and Countrywide Financial Corp. (formerly known as Countrywide Credit Industries, Inc.) (collectively “Countrywide”) on the other hand. This lawsuit alleged that Countrywide violated various California state and federal laws by failing to pay the Class overtime, taking unlawful deductions from the Class’ wages, failing to provide the Class with required meal periods, failing to pay terminated Class members all such wages owed, and failing to keep and provide required records of hours Class members worked.

THIS NOTICE IS TO INFORM YOU ABOUT

- THE STATUS OF THE LAWSUIT, INCLUDING A STATEMENT OF YOUR RIGHTS WITH RESPECT TO A PROPOSED SETTLEMENT OF THE CASE;
- YOUR ESTIMATED PRO RATA SHARE OF THE MONETARY SETTLEMENT AND THE PROCEDURE FOR CLAIMING THAT SHARE;
- YOUR OPTION TO FILE WITH THE COURT ANY OBJECTIONS YOU MAY HAVE TO THE SETTLEMENT; AND
- YOUR OPTION TO EXCLUDE YOURSELF FROM THE PROPOSED SETTLEMENT BY “OPTING OUT.”

### **II. DESCRIPTION OF THE LAWSUIT**

On February 14, 2002, a complaint was filed by three plaintiffs against Countrywide in the Superior Court of the State of California for the County of Los Angeles (“the Court”). A First Amended Complaint and Second Amended Complaint were subsequently filed. A Third Amended Complaint will be filed upon the date that the proposed settlement receives final approval from the Court. In these complaints, the plaintiffs claimed on behalf of themselves and all other Account Executives employed by Countrywide Home Loans in its California Call Center (Pasadena and Rosemead), that Countrywide violated various California state and federal laws by failing to pay Account Executives overtime for working more than 40 hours per

<sup>1</sup> The Class does not include employees who worked solely for Countrywide subsidiary Full Spectrum Lending, Inc.

week and 8 hours per day, taking unlawful wage deductions for production errors and deficiencies, failing to provide required meal periods, failing to pay terminated employees all such wages owed, and failing to keep and provide required records of hours worked. The plaintiffs sought overtime wages, reimbursement of deducted wages, an hour's extra pay for each day a meal period was not provided, penalties, restitution, prejudgment interest, liquidated damages, an injunction, and reasonable attorneys' fees and costs under California and federal law for themselves and a certified class of similarly situated Account Executives. In October 2003, the Court sent out, and you may have received, a notice of the class action with an opportunity for you to opt out of the action at that time. Records indicate you did not opt out by the December 10, 2003, deadline.

Countrywide denied and continues to deny all of the allegations in plaintiffs' complaints and contends that it has acted in compliance with the law at all times. There has been no finding of any wrongdoing by Countrywide, and Countrywide does not admit to any liability. Countrywide wishes to settle to avoid further costly, disruptive, and time-consuming litigation. This settlement is the result of extensive negotiations between Countrywide, the plaintiffs, and their counsel, who were appointed by the Court to represent the certified class of Account Executives ("Class Counsel"). Class Counsel believe that the settlement is fair, reasonable, and in the best interests of the plaintiffs and the Class.

On April 11, 2005, the Court preliminarily approved the settlement. This NOTICE was sent to you because Countrywide's records indicate that you were employed by Countrywide Home Loans as an Account Executive in its Pasadena or Rosemead, California Call Center during the Class Period (February 14, 1998 through December 31, 2004). If you are included in the Class described above, this settlement may affect your rights.

### III. SUMMARY OF TERMS OF THE SETTLEMENT AGREEMENT

Countrywide has agreed to pay \$30 million (the "Settlement Amount") to resolve all claims concerning unpaid wages or the computation of overtime pay for work performed by Countrywide Home Loans' Pasadena and Rosemead Call Center Account Executives in California during the Class Period. There are about 400 such Account Executives. The Court has tentatively approved reasonable compensation to Class Counsel for their work in this matter, plus reimbursement of expenses and costs, for a total of \$7 million, which will be paid by Countrywide out of the Settlement Amount. The Court also has tentatively approved that the following participation payments will be made: (1) \$2,500 for each of the 92 Class members (totaling \$230,000) who provided sworn declarations in support of plaintiffs' case that were received by Class Counsel before October 1, 2004, and that were disclosed to Countrywide; (2) \$7,500 for each of the 13 Class members who were randomly selected to be deposed by Countrywide and were deposed for half a day regarding their hours worked and meal periods missed (totaling \$97,500); (3) \$15,000 for each of the 19 Class members who had full day depositions taken by Countrywide about job duties, employment history, hours worked, meal periods missed and other topics (totaling \$285,000); and, (4) \$585,000 to be divided among three plaintiffs and two Class members for extraordinary time and effort in investigating and prosecuting this case on behalf of the Class, risks of coming forward on behalf of the Class, and for a general release of all claims, known and unknown, against Countrywide. The attorneys' fees and costs, participation payments and time-and-effort and risk payments will be deducted from the Settlement Amount prior to calculation of the settlement share for each Class member. Countrywide will also be allowed to use the interest earned on the \$30 million to pay its share of payroll taxes, and deduct any additional amount of its share of the payroll taxes from the \$30 million, if the interest earned is not sufficient to cover those taxes.

The approximately \$21,802,500 balance that remains after these deductions are taken will be paid on a pro rata basis to each Class member who does not "opt out" (see Section VI below) and who submits a timely Claim Form and Consent to Join Form ("Settlement Class Member"), based on a calculation taking into account that Settlement Class member's actual compensation and dates of employment in Class Positions during the Class Period, and the Class' average number of hours worked per week each year of the Class Period.

**Your estimated pro rata share of the Settlement, along with the information used to calculate that share, is listed in the enclosed Claim Form. You must submit BOTH a Claim Form AND a Consent to Join Form, enclosed with this Notice, to receive your settlement share. See Section V below for directions on how to submit your Claim Form and Consent to Join Form.**

Countrywide has also agreed that, by no later than January 1, 2005, it will reclassify Countrywide Home Loans' Rosemead Call Center Account Executives as non-exempt employees, and thereafter pay them overtime for overtime hours worked, cease taking wage deductions for their production errors and deficiencies, provide them with off-duty meal periods after every five hours worked, and keep and provide them with records of hours they worked.

The summary of the proposed settlement agreement in this NOTICE does not include all of the terms and conditions of the settlement. The only complete statement of the terms of the proposed settlement is in the actual Stipulation of Settlement of Class Action and Release Between Plaintiffs and Defendants ("the Settlement Agreement"), that has been tentatively approved by the Court. Copies of the proposed Settlement Agreement are available for inspection or printing from Class Counsel's website at [www.gdblegal.com](http://www.gdblegal.com) or copies may be obtained from the Office of the Clerk of the Superior Court of California for the County of Los Angeles, which is located at 111 North Hill Street, Los Angeles, CA 90012. PLEASE DO NOT CALL THE COURT OR JUDGE.

#### IV. BINDING EFFECT AND CLASS RELEASE

If approved by the Court, the proposed Settlement Agreement will be binding on you in the following manner. As for California law claims, it will be binding on all members of the Class who do not timely “opt out” of the settlement, and fully release and discharge Countrywide and each of its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (“Released Parties”) from any and all claims for violation of any California wage and hour law and Business and Professions Code § 17200 *et seq.*, for wages, penalties, interest, damages, including liquidated damages, attorneys’ fees and costs, and injunctive and other equitable relief that were asserted or could have been asserted in this action, related to the allegations contained in Plaintiffs’ Complaint and three Amended Complaints arising from their employment in Class Positions during the Class Period. As for federal law claims, it will be binding on all Class members who file Consent to Join Forms and will fully release and discharge the Released Parties from any and all claims for violation of the federal Fair Labor Standards Act for wages, interest, damages, including liquidated damages, and attorneys’ fees and costs that were asserted or could have been asserted in this action, related to the allegations contained in Plaintiffs’ Complaint and three Amended Complaints arising from their employment in Class Positions during the Class Period. The release does not extend to any claims Settlement Class members may have to vested benefits pursuant to the terms of any Countrywide employee benefit plan or under the California workers compensation and insurance laws.

#### V. SUBMITTING A CLAIM

You must sign both the Claim Form and the Consent to Join Form attached to this Notice and return them to the Claims Administrator listed on the Claim Form, **postmarked by no later than June 27, 2005** in order to receive your settlement share. **LATE FILED CLAIMS WILL BE DENIED.** In order to verify that your Claim Form is timely, you should photocopy the postmarked envelope and retain the photocopy for your records. If you believe that the Claim Form incorrectly lists your compensation earned and time period while in a Class Position used in calculating your settlement share, you may submit documentation to challenge these figures. You may not challenge the average hours worked per year, as that is an average applied to all Class members. After receipt of all Claim Forms, and resolution of any challenges, the Claims Administrator will recalculate the pro rata shares, and your share may go up or down depending on the number of claims submitted and the challenge resolution process. Countrywide will mail you a check in the amount of your final share of the Settlement Amount. If you are a declarant or deponent eligible to receive a participation payment, your check will include that payment. This check will be in full settlement of any and all claims concerning overtime pay, unlawful wage deductions, missed meal periods, waiting time penalties, wage statement penalties, liquidated damages, and civil penalties that were or could have been raised in the Butler v. Countrywide action for the period you were employed in a Class Position.

You will be responsible for paying any applicable local, state, or federal income taxes on your settlement payment. Whether or not you cash the settlement check, the settlement will be binding. If you do not cash your check within 90 days after it is sent to you, your check will be void and the amount of your settlement will be donated to a non-profit organization as directed by the Court. If you do not cash your check, you will be deemed to have waived irrevocably any right in or claim to your settlement share.

#### VI. OPT-OUT PROCEDURE

If you opt out of this lawsuit, (a) you will have no right to receive any money under the settlement of this case; (b) you will not be bound by the settlement in this lawsuit; and (c) you may bring or participate in a separate lawsuit against Countrywide. If you opt out of this lawsuit and bring or participate in a separate lawsuit, you may lose your case and receive nothing, or you may obtain less money than you could get under this lawsuit even if you prevail, and it may take several years to obtain any such money. To opt out of this lawsuit, you must submit a written notice stating that you want to opt out of this settlement to the Butler v. Countrywide Claims Administrator, c/o Rosenthal & Company LLC, P.O. Box 6177, Novato, California, 94948-6177. The written notice must state:

I wish to opt out of the settlement of this case, Butler v. Countrywide (Los Angeles Case No. BC 268250). I understand that by requesting to be excluded from the settlement, I will receive no money from the settlement funds created in accordance with the Settlement Agreement entered into by Countrywide. I understand that if I am excluded from the class monetary settlement, I may bring a separate action. I understand that in any separate lawsuit, I may receive nothing or less than I would have received if I had filed a claim for money pursuant to the Settlement Agreement.

To be timely, your opt-out statement must be postmarked no later than May 28, 2005.

#### VII. OBJECTIONS TO THE PROPOSED SETTLEMENT

If you believe that the proposed Settlement Agreement should not be finally approved by the Court for any reason, you may object to the proposed Settlement Agreement. If you want to object to the proposed Settlement Agreement, you must file an

objection in writing with the Butler v. Countrywide Claims Administrator, c/o Rosenthal & Company LLC, P.O. Box 6177, Novato, California, 94948-6177, in which you state the basis of your objection. To be timely, you must postmark your objection by no later than May 28, 2005.

If you file an objection, you or your counsel must appear at the hearing scheduled for June 27, 2005, at 8:30 a.m. in Department 39 of the Superior Court of the State of California for the County of Los Angeles, located at 111 North Hill Street, Los Angeles, CA 90012, to have your objection heard by the Court. You have a right to appear by counsel at this hearing. Objections not previously filed in writing in a timely manner will not be considered. Any attorney who will represent an individual objecting to the Settlement Agreement must file a notice of appearance with the Court and serve counsel for Plaintiffs and Countrywide on or before May 28, 2005. All objections or other correspondence must state the name and number of the case, which is Butler v. Countrywide, Los Angeles County Superior Court Case No. BC 268250.

#### VIII. ATTORNEYS FEES AND COSTS

You will not have to pay Class Counsel for representing you in this lawsuit. As noted above in Section III, the Court has preliminarily approved that \$7,000,000 will be paid to Class Counsel as reasonable compensation for their time incurred in this matter and for their actual expenses and costs incurred, which will be paid by Countrywide from the Settlement Amount.

#### IX. FURTHER INFORMATION AND ADDRESS OF CLASS COUNSEL

**PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about the Settlement Agreement or the process for filling your Claim Form and Consent to Join Form, you may contact the Claims Administrator at 1-800-207-0343. You also may contact Class Counsel listed below for more information:

Linda M. Dardarian, Esq.  
Laura L. Ho, Esq.  
GOLDSTEIN, DEMCHAK, BALLER, BORGAN & DARDARIAN  
300 Lakeside Drive, Suite 1000  
Oakland, CA 94612  
(800) 332-6177  
(510) 835-1417 (fax)

#### X. IF THE SETTLEMENT AGREEMENT IS NOT APPROVED

If the Settlement Agreement is not approved by the Court, or if any of its conditions are not satisfied, the conditional settlement will be voided, no money will be paid, and the case will revert to litigation. However, if that happens there is no assurance: (a) that any decision at trial would be in favor of Class members; (b) that a favorable trial decision, if any, would be as favorable to the Class members as this settlement; or (c) that any favorable trial decision would be upheld if an appeal was filed.

#### XI. NO RETALIATION OR DISCRIMINATION

California and federal law prohibit Countrywide from discharging you or in any other manner retaliating or discriminating against you because you have exercised your right under California and federal law to participate in this settlement.

#### XII. NO OPINION EXPRESSED AS TO THE MERITS OF THE CASE

On April 11, 2005, the Court preliminarily approved the Settlement Agreement and found that the Settlement Agreement is fair and reasonable. However, the Court has expressed no opinion regarding the merits of the plaintiffs' claims or Countrywide's liability. **DO NOT WRITE OR CALL THE COURT REGARDING THIS SETTLEMENT.**

#### XIII. ADDRESS CHANGES

It is your responsibility to keep the Claims Administrator apprised of your correct address. Please sign and mail any change of address along with your Social Security number, date of birth, former address and new address to:

Butler v. Countrywide Claims Administrator  
c/o Rosenthal & Company LLC  
P.O. Box 6177  
Novato, CA 94948-6177

Dated: April 11, 2005

/s/ Victor H. Person  
Victor H. Person  
Judge of the Superior Court, Los Angeles County