

Lawson v Consumer Portfolio Services
C/O ATTICUS ADMINISTRATION
PO BOX 64053
SAINT PAUL MN 55164

ÍHbcÈ_Nbî

<<barcode text>>

<<Claimant ID>> <<SEQ ID>>

<<FIRST NAME>> <<LAST NAME>>

<<ADDRESS>> <<ADD ADDRESS 2>>

<<CITY>> <<STATE>> << ZIP>>

NOTICE OF CLASS ACTION SETTLEMENT

If you worked for Consumer Portfolio Services Inc. (“CPS”) in California as a Marketing Representative, Field Sales Representative, Field Marketing Sales Representative, or Regional Sales Manager, you may be entitled to a payment from a class action lawsuit Settlement.

A court authorized this Notice. This is not a solicitation from a lawyer.

- You have received this Notice because records from CPS indicate that you were employed in the State of California as a Marketing Representative, Field Sales Representative, Field Marketing Sales Representative, or Regional Sales Manager (“Rep”) between September 24, 2014 and August 29, 2023.
- A former Rep filed a lawsuit against CPS alleging that CPS misclassified Reps as exempt outside salespeople and failed to pay daily overtime wages to Reps, failed to reimburse business expenses, and failed to provide off-duty meal and rest periods for Reps, as well as other claims. CPS denies these allegations and no Court has ruled in favor of any party. The parties have entered into a Settlement Agreement to resolve the lawsuit without further litigation and expense. This Settlement resolves the case *Lawson v. Consumer Portfolio Services Inc*, Case No. 30-2018-01021149-CU-OE-CXC).
- You can learn more at: <https://gbdhlegal.com/cases/lawson-v-cps>.

Your legal rights may be affected by this Settlement, and you have a choice to make:

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT: | |
|--|--|
| RECEIVE A SETTLEMENT CHECK | If you do nothing, you will remain a part of this case, release claims (listed below) against CPS, and be sent a Settlement check. |
| EXCLUDE YOURSELF | If you do not want to participate in the Settlement and want to retain your right to sue CPS for unpaid wages and related wage and hour claims, you must submit the attached Opt-out Form to the Class Administrator. If you submit an Opt-out Form, you will not receive a Settlement payment and may not object to the Settlement. You will still receive a check for your share of the PAGA payment, for which there is no option to opt out. |
| OBJECT | You may submit the attached Objection Form if you want to object to the Settlement. The Court cannot change the Settlement based on an objection but can only approve or reject the entire Settlement. More information about objecting is set forth in Section 15 below. |

- These rights and options – **and the deadlines to exercise them** – are explained in greater detail in this Notice.
- The Court still has to decide whether to approve the Settlement. Settlement payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this Notice?

You have a right to know about the proposed Class Settlement, and about all of your options, before the Court decides whether to approve the Settlement. This Notice explains the lawsuit, your legal rights, and what benefits are available.

The Honorable Lon Hurwitz, Judge of the Orange County Superior Court for the State of California, is overseeing the *Lawson* action and this Settlement.

For more information about this Settlement, please see the Settlement Agreement available at <https://gbdhlegal.com/cases/lawson-v-cps>, or by contacting the Class Administrator at 1-888-999-3721.

2. Am I covered by this Settlement?

CPS' records show that you were employed in the state of California by CPS as a Rep for the following time period between September 24, 2014 and August 29, 2023, and that you worked <<Work Weeks>> Work Weeks during that period.

If this information is incorrect, you should contact the Class Administrator at Lawson v CPS c/o Atticus Administration PO Box 64053, St. Paul, MN 55164, CpsSettlement@atticusadmin.com, or 1-888-999-3721 to submit a dispute and any documents you have to support the disputed information by **April 16, 2024**. You must do so timely to have your dispute considered.

3. What is this lawsuit about?

This case is about whether CPS failed to pay proper overtime wages, reimburse business expenses, provide off-duty meal and rest periods, provide accurate wage statements, and other related claims. CPS denies these allegations. The Court has not made any ruling in favor of either party.

4. Why is this a class action?

In a class action, one or more people called "Class Representatives" bring claims on behalf of other people who have similar claims. The people are called "Class Members" and together are the "Class." The individuals who initiated this class action are called the "Plaintiff." In a class action, the Plaintiff asks the court to resolve the issues for every member of the Class.

5. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or CPS. Both sides believe they will prevail in the litigation, but there was no decision in favor of either party. Instead, the parties have agreed to resolve this matter to avoid the expense and risks of more litigation. Plaintiff and Class Counsel think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the Settlement provide?

CPS has agreed to pay \$1,100,000.00 (the "Gross Settlement Amount"), plus the employer share of payroll taxes on amounts considered wages. The Gross Settlement Fund will be used to pay: (1) Participating Class Members and Aggrieved Employees; (2) attorneys' fees of up to \$440,000, plus reimbursement of actual litigation expenses and costs of up to \$65,000.00; (3) Service Award of \$30,000.00 for the lead Named Plaintiff who was deposed during litigation; (4) \$15,000 for the individual settlement of an Opt-In Plaintiff; (5) \$75,000.00 to the California Labor and Workforce Development Agency; and (6) the Class Administrator's fees and costs of up to \$10,000.00.

7. How will my Settlement Payment be calculated?

The Class Administrator will calculate how many Work Weeks you worked during the Class Period as a percentage of the total Work Weeks during the Class Period.

Based on CPS' records of your dates worked as a Rep during the Class Period (see Question #2), your *estimated* payment as a Class Member is **\$<<Estimated Award>>. The actual amount of any payment may vary.**

The Class Administrator used information from CPS' records to calculate your payment. If the dates listed in section 2 are incorrect, you may contact the Class Administrator at Lawson v CPS c/o Atticus Administration PO Box 64053 St. Paul, MN 55164, CpsSettlement@atticusadmin.com, or 1-888-999-3721 to submit a dispute and any documents you have to support the disputed information by **April 16, 2024**. The Class Administrator will evaluate the information you provide and will make the final decision as to any dispute.

One-third of your Settlement Payment is subject to payroll deductions for applicable taxes and withholdings like any other paycheck, for which you will receive a Form W-2, and two-thirds of your settlement payment is not subject to deductions and will be reported on a Form 1099. Neither Class Counsel nor CPS' counsel can advise you regarding the tax consequences of the settlement. You may wish to consult with your own personal tax advisor in connection with the settlement.

Settlement checks that are not cashed within 180 days of issuance will be null and void.

The Class Administrator will then report the uncashed amount to the State Controller's Office's Unclaimed Property Division to be held as unclaimed funds in your name. The Class Administrator will hold the funds for a one-year dormancy period and then forward the funds to the Unclaimed Property Division.

8. Aggrieved Employee PAGA Award

The lawsuit also includes a California Private Attorneys General Act ("PAGA") claim brought on behalf of the State of California that sought civil penalties from CPS for the overtime and other violations that Plaintiff alleged.

As part of the Settlement of the PAGA claim, CPS agreed to pay \$100,000.00, which will be distributed according to PAGA's requirement that 75% (or 75,000) be distributed to the California Labor Workforce Development Agency and the remaining 25% (or \$25,000.00) will be paid to Aggrieved Employees.

If you worked for CPS as a Rep in California at any time between June 4, 2017 through August 29, 2023, you are an "Aggrieved Employee." If the Court approves the PAGA settlement, Aggrieved Employees will release the Released PAGA Claims.

Your individual PAGA Award will be determined by your proportional share of the \$25,000 based on the number of Work Weeks you worked between June 4, 2017, and August 29, 2023.

If you are eligible for a PAGA Award, that award will be treated as penalties not subject to deductions and reported on a Form 1099.

HOW YOU GET A PAYMENT

9. How do I get my payment?

If you want to receive a Settlement Payment, you do not need to take any action. It is your responsibility to update your mailing address with the Class Administrator to make sure they have your current address.

10. When will I get my settlement payment?

The Court is scheduled to hold a hearing on May 24, 2024, at 1:30 p.m. to determine whether to give final approval to the Settlement. This date may change without further notice to Class Members. Please check <https://gbdhlegal.com/cases/lawson-v-cps> to confirm that the date has not changed. If the Court grants final approval, settlement checks are anticipated to be mailed approximately three months after the court issues the final approval order. If an appeal is filed as a result of an objection to the settlement, then checks will be delayed. Please be patient and update the Class Administrator if your mailing address changes.

11. What am I giving up by releasing my claims?

If you want to receive a Settlement Payment, you will release the Released California Claims against CPS and other Released Parties, as defined in the Settlement Agreement. Released California Claims means any and all claims, rights, demands, liabilities, and causes of action of any kind, whether known or unknown including any violation of common law, California law or local law, which was or could have been raised in the Action based on the facts alleged in the complaints that arose on or before the end of the Class Period.

In addition, if you worked for CPS in California as a Rep between June 4, 2017 and August 29, 2023, you also will release the Released PAGA Claims. Released PAGA Claims means any claims for civil penalties under California Labor Code section 2698 *et. seq.* for violations listed and based on the facts alleged in Plaintiff's June 4, 2018 letter to the California Labor & Workforce Development Agency or the complaint, or which could have been brought based on the factual allegations therein that accrued during your employment on or after June 4, 2017 through August 29, 2023. You may not exclude yourself from this Release of PAGA Claims.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How do I opt out of the Settlement?

If you opt out, you will not receive payment and cannot object. You must complete and submit the attached Opt-Out Form to the Class Administrator. The Opt-out Form must be postmarked by or otherwise received on or before **April 16, 2024**.

If you submit an Opt-out Form, you might still receive a PAGA Award. You will retain the right to bring your own legal action against CPS for California Labor Code claims, excluding PAGA. You should be aware that your claims are subject to a statute of limitations, which means that they will expire on a certain date.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has decided that the lawyers at Goldstein, Borgen, Dardarian & Ho are qualified to represent you and all Class Members. These lawyers are called “Class Counsel.” You do not need to hire your own attorney. If you do not opt out of the class and want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

To date, Class Counsel have not been paid any money for their work or out-of-pocket expenses in this case. To pay for their time and risk in bringing this case without guarantee of payment unless they were successful, Class Counsel will request up to \$440,000 of the Gross Settlement Fund plus reimbursement for their out-of-pocket expenses.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

15. How do I tell the Court that I disapprove of the Settlement?

If you have not submitted an Opt-out Form, you can ask the Court to deny approval of the settlement by submitting an Objection Form. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court does not approve the settlement, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

To object, complete and submit the attached Objection Form to the Class Administrator. The Objection Form must be postmarked by or otherwise received on or before **April 16, 2024**.

16. What's the difference between objecting and opting out?

Objecting tells the Court that you do not like something about the Settlement and asks the Court not to approve the settlement. Opting out (also known as excluding yourself) tells the Court that

you do not want to be part of the Class. If you exclude yourself, you cannot object because the case no longer affects you.

If you submit both an objection and an Opt-out Form, the Class Administrator will attempt to contact you to determine whether you intended to object or exclude yourself. If the Class Administrator cannot reach you, it will be presumed that you intended to exclude yourself, and your objection will not be considered.

THE COURT'S FINAL APPROVAL/FAIRNESS HEARING

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

The Court will hold the Fairness (or Final Approval) Hearing on May 24, 2024 at 1:30 p.m. in Department CX 103 of the Superior Court of the County of Orange, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. This date may change without further notice to class members. Please check <https://gbdhlegal.com/cases/lawson-v-cps> to confirm that the date has not changed.

At the hearing, the Court will determine whether the Settlement is fair, adequate, and reasonable and will consider any properly submitted objections. Please contact Class Counsel using the contact information provided in Section 20 below if you have any questions about the date and time of the Fairness Hearing.

18. Do I have to come to the fairness hearing?

No. Class Counsel will attend to answer questions the Court may have. You are welcome to attend at your own expense. If you send an objection, you do not have to attend. As long as you have not excluded yourself and have mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

GETTING MORE INFORMATION

19. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at <https://gbdhlegal.com/cases/lawson-v-cps>. This website will also have a copy of the Final Judgment for at least 90 days after it is entered.

20. How do I get more information?

If you have other questions about the Settlement or want more information, you can contact the Class Administrator at: 1-888-999-3721 or Class Counsel at:

Laura L. Ho
Byron Goldstein
Mengfei Sun
Goldstein, Borgen, Dardarian & Ho
155 Grand Avenue, Suite 900
Oakland, CA 94612
(510) 763-9800
<https://gbdhlegal.com/>

Information about the case is also available on the court's website at <https://www.occourts.org>.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO
INQUIRE ABOUT THIS SETTLEMENT.**

**Lawson v. Consumer Portfolio Services Inc,
Case No. 30-2018-01021149-CU-OE-CXC)**

**CLASS ACTION SETTLEMENT
CLASS MEMBER OPT-OUT FORM**

Name: _____

Address: _____

Email Address: _____

Phone Number: _____

**Last 4 digits of
Social Security #:** _____

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE A CLASS MEMBER AWARD. HOWEVER, I WILL STILL RECEIVE A PAGA AWARD IF ELIGIBLE.

Signature <<claimant ID>>

Date

**Lawson v. Consumer Portfolio Services Inc,
Case No. 30-2018-01021149-CU-OE-CXC)**

**CLASS ACTION SETTLEMENT
CLASS MEMBER OBJECTION FORM**

**(DO NOT SUBMIT IF YOU HAVE OPTED OUT; SUBMIT ONLY IF YOU
WANT COURT TO REJECT THE ENTIRE SETTLEMENT)**

Name: _____

Address: _____

Email Address: _____

Phone Number: _____

**Last 4 digits of
Social Security #:** _____

Reason for Objecting:

Signature <<claimant ID>>

Date