

1 Laura L. Ho (SBN 173179)
 lho@gbdhlegal.com
 2 Byron Goldstein (SBN 289306)
 brgoldstein@gbdhlegal.com
 3 Mengfei Sun (SBN 328829)
 msun@gbdhlegal.com
 4 GOLDSTEIN, BORGEN, DARDARIAN & HO
 155 Grand Avenue, Suite 900
 5 Oakland, CA 94612
 Tel: (510) 763-9800
 6 Fax: (510) 835-1417

7 Attorneys for Plaintiff, Opt-in Plaintiff and Settlement Class

8 Joshua Carlon (SBN 263838)
 Joshua.Carlon@aalrr.com
 9 ATKINSON, ANDELSON, LOYA, RUUD & ROMO
 201 South Lake Avenue, Suite 300
 10 Pasadena, California 91101
 Main (626) 583-8600 • Fax (626) 583-8610

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12 Attorneys for Defendant

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 14 FOR THE COUNTY OF ORANGE

15 JAMES LAWSON, individually and on behalf of
16 all others similarly situated,

17 Plaintiffs,

18 vs.

19 CONSUMER PORTFOLIO SERVICES, INC., a
20 California Corporation; and DOES 1-50, inclusive

21 Defendants.
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Case No.: 30-2018-01021149-CU-OE-CXC

**AGREEMENT FOR SETTLEMENT OF
CLASS AND PAGA CLAIMS**

1 This Settlement Agreement is entered into by Plaintiff James Lawson and Opt-in Plaintiff
2 Christopher J. Daniels, on one hand, and Defendant Consumer Portfolio Services, Inc (“CPS” or
3 “Defendant”) on the other (collectively the “Parties”).

4 **SECTION 1: RECITALS**

5 **WHEREAS**, Plaintiff James Lawson has asserted claims against Defendant on behalf of all
6 current and former Marketing Representatives, Field Sales Representatives, Regional Sales Managers,
7 and Field Marketing Sales Representatives (“Reps”) and filed a class and collective action complaint in
8 Orange County Superior Court on September 24, 2018 (*Lawson v. Consumer Portfolio Services Inc*,
9 Case No. 30-2018-01021149-CU-OE-CXC);

10 **WHEREAS**, Sarah Brown, a resident of California, filed a consent to join form under the Fair
11 Labor Standards Act on January 17, 2019;

12 **WHEREAS**, Christopher J. Daniels, a resident of Louisiana, filed a consent to join form under
13 the Fair Labor Standards Act on April 9, 2019;

14 **WHEREAS**, the purpose of this Agreement is to settle fully and finally all released claims (as
15 defined below) that Plaintiff, Opt-in Plaintiff, and Class Members (as defined below) may have against
16 Defendant;

17 **WHEREAS**, Defendant denies that it has committed any wrongdoing;

18 **WHEREAS**, the Parties participated in mediation with experienced mediator Jeffrey Ross and
19 pursuant to that mediation subsequently reached an agreement to settle the claims resulting the
20 execution of a Memorandum of Understanding (“MOU”) on July 10, 2023 and this Settlement
21 Agreement (“Agreement”); and,

22 **WHEREAS**, the Parties agree to settle and resolve all claims asserted in the above captioned
23 action pursuant to the terms of this Agreement in order to avoid the burden, expense, risks, and
24 uncertainty of litigation.

25 **NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth in this
26 Agreement, as well as the good and valuable consideration provided for herein, and intending to be
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1 legally bound, the Parties agree to a full and complete settlement and release of claims on the
2 following terms and conditions:

3 The Parties agree that the action shall be settled and resolved upon entry of a final approval of
4 the settlement and judgment by the Court granting the Parties’ agreement for Defendant to pay a total
5 of \$1.1 million dollars (\$1,100,000), plus the employer’s share of payroll taxes, upon the terms and
6 conditions of this Agreement and for the consideration set forth herein, including but not limited to a
7 release of claims by Plaintiff, Opt-in Plaintiff, Class Members, and Aggrieved Employees. This
8 Agreement is contingent upon approval by the Court and entered into voluntarily by the Parties for
9 settlement purposes.

10 **SECTION 2: DEFINITIONS**

11 The following defined terms used in this Settlement Agreement and all exhibits thereto will
12 have the meanings given them below.

13 1. Action. “Action” or “Lawsuit” means the civil action currently pending in the Superior
14 Court of the State of California for the County of Orange, entitled *Lawson v. Consumer Portfolio*
15 *Services Inc*, Case No. 30-2018-01021149-CU-OE-CXC.

16 2. Aggrieved Employees. “Aggrieved Employees” means all persons employed in a Class
17 Position at any time during the PAGA Period.

18 3. Class. “Class,” “Class Members,” “Settlement Class,” or “Settlement Class Members”
19 means all persons employed in a Class Position during the Class Period.

20 4. Class Administrator. “Class Administrator” means the third-party entity jointly selected
21 by the Parties hereto and approved by the Court to establish, maintain and administer the settlement
22 fund and to provide notice to the Class as well as to perform other duties relating to the administration
23 of the Settlement (*e.g.*, calculation and payment of settlement awards, submissions to tax authorities,
24 etc.). The Parties agree that Atticus Administration is an appropriate third party selected to provide
25 notice to the Class and to perform other duties of administration as provided in this Agreement.

26 5. Class Administrator Declaration. “Class Administrator Declaration” means
27 declaration(s) attesting to the steps taken by the Class Administrator through the date of such
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1 declaration in performing the Class Administration Duties, that the procedures contemplated below are
2 complete, and that the Class Administrator has all information needed to perform any remaining Class
3 Administration Duties. This includes a declaration that shall be filed with the Court as part of the Final
4 Approval Motion that describes the Class Administrator's performance of its duties under the
5 Settlement Agreement and the Settlement Class Members' responses to Class Notice as detailed below,
6 as well as a declaration with an accounting of how the settlement funds have been distributed and
7 whether there are any unresolved issues, if required by the Court following the distribution process.

8 6. Class Administration Costs. "Class Administration Costs" means the fees and expenses
9 reasonably and necessarily incurred by the Class Administrator as a result of performing the Class
10 Administration Duties. Class Administration Costs include, but are not limited to, reasonable fees and
11 expenses incurred by the Claims Administrator for: (1) preparation and mailing of the Settlement
12 Notice and Checks; (2) establishment and maintenance of the "Qualified Settlement Fund," defined
13 *infra*; (3) compliance with all tax reporting and payment obligations; (4) preparing, filing, and issuing
14 any required tax forms related to payments made from the Qualified Settlement Fund; (5) calculation
15 and distribution of settlement payments to Settlement Class Members; and (6) performance of any
16 other actions specified in this Agreement or mutually requested by the Parties in writing. Class
17 Administration Costs up to \$10,000 shall be paid from the Gross Settlement Amount.

18 7. Class Counsel. "Class Counsel" or "Plaintiff's Counsel" means Laura L. Ho, Byron
19 Goldstein, and Mengfei Sun of Goldstein, Borgen, Dardarian & Ho.

20 8. Class List. "Class List" means a list of all Class Members, including their names, last
21 known addresses, social security numbers, start and end dates of employment in a Class Position,
22 number of Work Weeks worked by year during the Class Period and to the extent available last known
23 telephone numbers and personal email addresses.

24 9. Class Member Award. "Class Member Award" means the portion of the Net Settlement
25 Fund that will be due and payable to each Eligible Class Member, as defined below, subject to legally
26 required withholdings, deductions, and contributions.

1 10. Class Notice. “Class Notice” means a Notice of Class and Representative Action
2 Settlement, which will be issued to Class Members, substantially in the form indicated in Exhibit “A”
3 hereto, and distributed by the Class Administrator.

4 11. Class Period. “Class Period” means the time period from September 24, 2014 through
5 August 29, 2023 or the date of preliminary approval, whichever first occurs. It is the period to which
6 the Release of Claims applies.

7 12. Class Position. “Class Position” means non-exempt Marketing Representative, Field
8 Marketing Sales Representative, Regional Sales Manager, Field Sales Representative, or other title
9 tasked with visiting auto dealerships on behalf of CPS in California.

10 13. Class Representative. “Class Representative” refers to Plaintiff James Lawson.

11 14. Court. “Court” refers to the Superior Court of the State of California in the County of
12 Orange, which shall retain jurisdiction to enforce this Agreement.

13 15. Date of Preliminary Approval. “Date of Preliminary Approval” means the day on
14 which the Court enters an Order granting Preliminary Approval.

15 16. Defendant. “Defendant” or “CPS” means Consumer Portfolio Services, Inc.

16 17. Defendant’s Counsel. “Defendant’s Counsel,” means Joshua Carlon of Atkinson,
17 Andelson, Loya, Rudd & Romo.

18 18. Effective Date. “Effective Date” means the date at which all of the following have
19 occurred:

20 a. Entry by the Court of an order granting Final Approval of the Settlement; and

21 b. If:

22 i. no Class Member Objections are made or all Class Member Objections
23 made are withdrawn, the later of the date the Court enters its order granting
24 Final Approval of the settlement or all Class Member Objections are
25 withdrawn;

- 1 ii. any Class Member Objection is made and is not withdrawn in writing but
- 2 the Objector does not appeal or seek writ of the Final Approval or
- 3 Judgment, the sixty-first (61st) day after entry of the Judgment;
- 4 iii. rehearing, reconsideration and/or appellate review of such Final Judgment
- 5 by a Class Member Objector is sought, the day after any and all avenues of
- 6 rehearing, reconsideration and appellate review have been exhausted and no
- 7 further rehearing, reconsideration or appellate review is permitted, and the
- 8 time for seeking such review has expired, and the Final Judgment has not
- 9 been modified, amended or reversed in any way; or
- 10 iv. a Class Member Objector appeals from any ruling by the Court overruling
- 11 such objection in whole or in part, the earlier of the date when the Court’s
- 12 order of Final Approval and Final Judgment have been affirmed on appeal
- 13 or the date when the Class Member Objector withdraws their Class Member
- 14 Objection.

15 19. Eligible Class Member. “Eligible Class Member” means a Class Member who has not
16 submitted a proper Opt-Out request as provided herein.

17 20. Final Approval Order. “Final Approval Order” means an order of the Court finally
18 approving this Settlement pursuant to Rule 3.769 of the California Rules of Court.

19 21. Final Approval Hearing. “Final Approval Hearing” means the hearing on a motion for
20 Final Approval, scheduled and conducted pursuant to Rule 3.769 of the California Rules of Court.

21 22. Final Judgment. “Final Judgment” or “Judgment” means the judgment entered based
22 on the Final Approval Order.

23 23. FLSA Individual Settlement. “FLSA Individual Settlement” refers to the individual
24 settlement of Opt-in Plaintiff Christopher Daniels, who is not a Class Member.

25 24. Gross Settlement Fund or Gross Settlement Amount. “Gross Settlement Fund” or
26 “Gross Settlement Amount” means Defendant’s required payment of \$1.1 million dollars
27 (\$1,100,000.00) that constitutes the amount to be paid by Defendant for the consideration provided to
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1 it under this Agreement except as otherwise set forth in this Settlement Agreement. The Gross
2 Settlement Fund includes all settlement payments to Eligible Class Members, Class Administration
3 Costs, Class Counsel fees and costs/expenses, Service Payment to the Class Representative, the FLSA
4 Individual Settlement, and the PAGA Fund. The Gross Settlement Amount is non-reversionary, and it
5 does not include Defendant's share of payroll taxes, which Defendant will pay separately.

6 25. Net Settlement Fund. "Net Settlement Fund" means the Gross Settlement Amount less
7 (a) Class Administration Costs, (b) Class Counsel's approved fees and costs (c) Court-approved
8 Service Payment, (d) the FLSA Individual Settlement, and (e) the PAGA Fund.

9 26. Opt-in Plaintiff. "Opt-in Plaintiff" refers to Christopher Daniels.

10 27. Opt-Out(s). "Opt-Out(s)" means Class Members who submit an Opt-Out Request.

11 28. Opt-Out Request. "Opt-Out Request" means a timely and valid written request for
12 exclusion from the Settlement by a Class Member, pursuant to the provisions of Paragraph 47(b)
13 below.

14 29. PAGA Award. "PAGA Award" shall mean each Aggrieved Employee's share of the
15 portion of the PAGA Fund to be paid to Aggrieved Employees based on the number of Work Weeks in
16 the PAGA Period.

17 30. PAGA Fund. "PAGA Fund" means \$100,000 of the Gross Settlement Amount
18 allocated to civil penalties for the California Private Attorney General Act claim, Cal. Lab. Code §§
19 2698 *et seq.* Of the total PAGA Fund, 75% (or \$75,000) shall be paid to the California Labor and
20 Workforce Development Agency. The remaining 25% (or \$25,000) shall be paid to Aggrieved
21 Employees as their PAGA Award.

22 31. PAGA Period. "PAGA Period" means the time period from June 4, 2017 through either
23 August 29, 2023 or the date of preliminary approval, whichever first occurs.

24 32. Plaintiff. "Plaintiff" means James Lawson.

25 33. Preliminary Approval/Preliminary Approval Order. "Preliminary Approval" and
26 "Preliminary Approval Order" means an order of the Court preliminarily approving this Settlement
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1 pursuant to Rule 3.769 of the California Rules of Court, granting conditional Class Certification for
2 settlement purposes, approving the form of Class Notice, and scheduling a Final Approval Hearing.

3 34. Qualified Settlement Fund. “Qualified Settlement Fund” means the Qualified
4 Settlement Fund established by the Class Administrator into which all payments by Defendant shall be
5 deposited and from which all payments provided in this Settlement shall be made, including Class
6 Administration Costs, the PAGA Fund, Eligible Class Member Awards, payments to Class Counsel for
7 attorneys’ fees and costs, and Service Payment.

8 35. Released Claims. “Released Claims” means Released California Claims and Released
9 PAGA Claims.

10 36. Released California Claims. “Released California Claims” means any and all claims,
11 rights, demands, liabilities, and causes of action of any kind, whether known or unknown including
12 any violation of common law, California law, local law, and/or federal law which were or could have
13 been raised in the Action based on the facts alleged in the complaints, including but not limited to
14 claims based on California Labor Code sections 201, 202, 203, 204-204b, 210, 221, 222, 223, 225.5,
15 226, 226.2, 226.3, 226.7, 256, 510, 512, 551, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, and
16 1198 California Code of Regulations, Title 8 Sections 11000 and 11090, the applicable Industrial
17 Welfare Commission (IWC) Wage Orders, Business & Professions Code sections 17200 *et seq.*, and
18 any related damages, penalties, restitution, equitable relief, disgorgement, interest or attorneys’ fees
19 that arose during the Class Period. This provision is only applicable to Eligible Class Members.

20 37. Released PAGA Claims. “Released PAGA Claims” means any claims relating to civil
21 penalties under the California Private Attorneys General Act, California Labor Code section 2698 *et*
22 *seq.* for violations listed and based on the facts alleged in Plaintiff Lawson’s June 4, 2018 letter to the
23 California Labor & Workforce Development Agency, including violations of California Labor Code
24 sections, 201, 202, 203, 204-204b, 210, 221, 222, 223, 225.5, 226, 226.2, 226.3, 226.7, 256, 510, 512,
25 551, 552, 558, 1714, 1714.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, that accrued during the
26 Aggrieved Employees’ employment during the PAGA Period.

1 their (a) names, (b) last known home address(es), (c) full social security numbers, (d) last known
2 personal phone numbers, (e) last known personal email addresses (if known), (f) number of Work
3 Weeks for the Class Period, and (g) start and end dates of employment in a Class Position. At the
4 same time, Defendant shall provide Class Counsel the same information as that contained in (a), (f),
5 (g). The Class Administrator and Class Counsel shall keep the Class List and any other information
6 regarding Class Members obtained through this Settlement confidential, and shall use and disclose
7 such information only for purposes of this Settlement and for no other purpose.

8 43. Posting of Important Case Documents on Class Counsel's Website: When Notice
9 Packets are distributed, Class Counsel shall create a website and post important case documents that
10 shall include the following: a) the Class Notice as approved by the Court, b) the Second Amended
11 Complaint, c) all papers filed in conjunction with the preliminary approval motion, d) the Settlement
12 Agreement (separate from the preliminary approval papers), and e) the Preliminary Approval Order.
13 The website will also have a phone number through which Class Members can contact the Class
14 Administrator or Class Counsel with questions.

15 44. Class Administration Procedures - Notice to Class. Within fourteen (14) calendar days
16 after delivery of the Class List and other Class information, the Class Administrator will mail a Notice
17 Packet to each Class Member via United States Mail and/or in accordance with Preliminary Approval
18 Order. Each Class Member's respective Class Notice will include a) the Class Member's dates of
19 employment in a Class Position within the Class Period and the number of Work Weeks within the
20 Class Period, and b) an estimated Eligible Class Member Award amount based upon the assumption
21 that all Class Members will become Eligible Class Members and that no Class Member Objections,
22 Opt-Out Requests, or other disputes will be submitted, and no Class Members will be added to the
23 Class after the date the Agreement is executed. Prior to mailing the Notice Packet, the Class
24 Administrator will check the addresses provided by Defendant against the United States Postal Service
25 National Change of Address database. The Class Administrator in its judgment may use contact
26 information that Class Counsel provides. If any mailed Notice Packets are returned as undeliverable,
27 then the Class Administrator shall promptly perform one "skip trace" or similar, customary reasonable
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1 search and shall promptly re-mail the same Notice Packet (or a true and correct copy thereof) to any
2 new addresses disclosed by such search. In the event that any Class Notice is returned as undeliverable
3 a second time, no further efforts shall be required. In addition, the Class Administrator shall promptly
4 mail a Notice Packet to any further address that either Party may provide in response to the Class
5 Administrator's written notice that a Class Member's Notice Packet was returned undeliverable. If the
6 process set forth in this paragraph and any other procedures ordered by the Court are followed, the
7 Class Notice will be deemed to be adequately provided to all Class Members. In the event the
8 procedures in the Agreement are followed and a Class Member, nonetheless, does not receive the
9 Notice Packet, the intended recipient shall remain a Class Member and will be deemed an Eligible
10 Class Member unless such intended recipient submits a Class Member Opt-Out Request within the
11 allotted time, described in Paragraph 47(b) below.

12 45. Class Administration Procedures - Class Member Objections, Opt-Out Requests, and
13 Disputes Concerning Class Member Status.

14 a. *Class Member Objections:* A Class Member who submits an Opt-Out Request
15 shall not be entitled to object to the settlement and their submission of an objection shall be deemed
16 null and void and of no effect. Otherwise, any member of the Settlement Class who wishes to make a
17 Class Member Objection may object in writing. No group or representative objections are allowed or
18 accepted. To object in writing, a Class Member must submit by mail to the Class Administrator no
19 later than sixty (60) calendar days after the Class Administrator's mailing of the Class Notice or fifteen
20 (15) calendar days after a re-mailing of Notice, whichever is later, a signed, completed "Class Member
21 Objection" form, a blank copy of which is included with the Notice. The date of the postmark on such
22 mailing shall be deemed to be the date of such mailing or, in the absence thereof, three calendar days
23 before it is received by the Class Administrator. To be effective and deemed a Class Member
24 Objection, a written objection must comply with all these requirements; otherwise it shall be deemed
25 null and void and not constitute a Class Member Objection. If the Court requires it, a Class Member
26 may also object orally at the Final Approval Hearing by appearing in person or by telephone. Class
27 Members may so object either on their own or through an attorney hired at their own expense. Class
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1 Members who intend to appear and be heard at the Final Approval Hearing shall be required to state
2 their full name, specific reason(s) for the objection, and if applicable, present any and all evidence in
3 connection with their objections.

4 b. *Opt-Out Requests:* Any member of the Settlement Class who wishes to make an
5 Opt-Out Request must, within sixty (60) calendar days of the Class Administrator's mailing of the
6 Class Notice, or fifteen (15) calendar days after a re-mailing of Notice, whichever is later, must send
7 by mail to the Class Administrator a copy of the "Opt-Out Request" Form, a blank copy of which is
8 included with the Notice, bearing the signature of such Settlement Class Member. On receipt, the
9 Class Administrator shall forthwith send to Defendant's Counsel and Class Counsel copies of anything
10 received that purports to be an Opt-Out Request. No group or representative opt outs are allowed or
11 accepted. The Class Administrator will notify the Class Member in writing of any deficiencies in their
12 Opt-Out Request, and Class Members will be permitted no more than fifteen (15) calendar days from
13 the mailing of the deficiency letter to cure all deficiencies in writing. The Class Administrator shall
14 make a determination as to the validity of the disputed Opt-Out Requests. The Class Administrator's
15 decisions in such regard shall be final and binding. The Class Administrator shall provide notice to
16 Defendant's Counsel and Class Counsel as of the deadline to submit Opt-Out Requests whether the
17 number of Class Members who elected to opt out of the Settlement as of the deadline to submit Opt-
18 Out Requests and whose Opt-Out Requests survived any challenge exceeds fifteen (15) percent of the
19 total Class. If the number of such Class Members equals or exceeds fifteen (15) percent of the total
20 Class, then Defendant shall have the exclusive and absolute right (but not the obligation) to nullify this
21 Agreement upon written notice filed with the Court and served on Class Counsel and the Class
22 Administrator within seven (7) calendar days of written notice that fifteen (15) percent or more of the
23 Class Members have timely submitted valid Opt-Out Requests. If Defendant exercises its option to
24 nullify the Agreement, Defendant will be responsible for paying actual costs of the Class
25 Administrator. The Parties agree they will not encourage any individual to opt out or object to the
26 Settlement, and will use their best efforts to facilitate full participation in the Settlement. Class
27 Counsel represent that they believe that the benefits that have been negotiated in this Agreement are in
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1 each putative class member's best interests, and will so represent to the court. Opting out of the
2 Settlement does not opt the individual out of the PAGA payment or release.

3 c. *Disputes Concerning Class Member Status:* Should any person who does not
4 receive a Class Notice directed to them wish to come forward purporting to be a Class Member, such
5 person shall notify the Class Administrator and provide any documentary support they wish to have
6 considered within sixty (60) calendar days of the Class Administrator's mailing of the Class Notice.
7 The Class Administrator shall forthwith send any such documents to Class Counsel and Defendant's
8 Counsel. Upon receipt of such notice, Defendant shall investigate the matter, including with reference
9 to its business records, and shall determine whether the person is a Class Member. Then, within seven
10 (7) calendar days of receipt of such notice, Defendant shall notify the Class Administrator and Class
11 Counsel as to the results of the investigation into the person's status as a Class Member and include
12 reasonably available documentary support for its position. In the event that the Class Member does not
13 provide any documentation to support their inclusion in the Class, Defendant's determination shall
14 control. In the event that the Class Member does provide supportive documentation, Defendant shall
15 either notify the Class Administrator and Class Counsel that it stipulates to the Class Member's
16 assertion(s), or shall notify them that it disputes such assertion(s) with its proposed determination, the
17 factual basis therefor, and any supporting documentation. The Class Administrator shall determine the
18 dispute, which determination shall control, and shall provide the disputing Class Member, Defendant's
19 Counsel, and Class Counsel with written notice of its decision. If the person is determined to be a
20 Class Member, the Class Administrator shall mail that person a Notice Packet, whereupon the same
21 procedures for submitting Class Member Objections and Opt-Out Requests set forth in this Agreement
22 shall apply to such person.

23 d. *Disputes Concerning Class Member Work Weeks or Job Position.* If a Class
24 Member disagrees with the information stated in their Class Notice concerning their dates of
25 employment or total number of Work Weeks in the Class Period, such Class Member shall send to the
26 Class Administrator, within sixty (60) calendar days of the Class Administrator's mailing of such Class
27 Notice or fifteen (15) calendar days after a re-mailing of Notice, whichever is later, a written notice
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1 setting forth the Class Member's basis for such disagreement, including any and all documents
2 supporting such basis. Upon receipt of such notices, the Class Administrator shall send it to Class
3 Counsel and Defendant's Counsel. Defendant shall investigate the matter, including by examining its
4 business records, and shall, within seven (7) calendar days of receiving notice, advise Class Counsel
5 and the Class Administrator as to its determination regarding the Class Member. In the event that the
6 Class Member does not provide any supportive documentation, Defendant's determination shall
7 control. In the event that the Class Member does provide supportive documentation, Defendant shall,
8 within the same seven (7) day period, either notify the Class Administrator and Class Counsel that it
9 stipulates to the Class Member's assertion(s), or shall notify them that it disputes such assertion(s), and
10 shall provide the Class Administrator and Class Counsel with its proposed determination, the factual
11 basis therefor. The Class Administrator shall determine the dispute, which determination shall control,
12 and shall provide the disputing Class Member, Defendant's Counsel, and Class Counsel with written
13 notice of its decision.

14 e. Plaintiff and Opt-in Plaintiff agree that they will not submit Class Member Opt-
15 Out Requests or Objections on their own behalf. The Parties hereto and Counsel further agree that
16 they will not encourage, incite or recommend that any Class Member object or opt out of the
17 settlement.

18 46. Calculation of Preliminary and Final Class Member Awards. The Class Administrator
19 shall provide Class Counsel and Defendant's Attorneys with its calculation of estimated Class Member
20 Awards to be used for purposes of sending out Notice subsequent to Preliminary Approval and final
21 Eligible Class Member awards after Final Approval with sufficient time for Class Counsel and
22 Defendant's Attorneys to check the calculations prior to the issuance of Notice and Class Member
23 Award checks.

24 47. Class Administration Procedures - Class Administrator Declaration. The Class
25 Administrator shall provide the Parties with the Class Administrator Declaration confirming the extent
26 of the Class Administrator's performance of its Class Administration duties described herein and the
27 responses received to the Class fourteen (14) calendar days after the exclusion deadline. The Class
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1 Administrator shall include in the declaration evidence supporting its requested award for Class
2 Administrative Costs, including those not yet performed. Additionally, if the Court requires a post-
3 distribution accounting and/or compliance hearing, the Class Administrator shall provide a Class
4 Administrator Declaration with an accounting of how the settlement funds have been distributed and
5 whether any unresolved issues exist at the time of the declaration. Any costs associated with these
6 declaration(s) shall fall within the definition of Class Administration Costs set forth above.

7 48. Motion for Final Approval. According to the schedule the Court sets, Class Counsel
8 shall file and serve upon Defendant a motion for Final Approval. Plaintiff shall provide a draft of the
9 motion for final settlement approval and supporting papers (including a proposed final approval order
10 and proposed judgment) for review and an opportunity to provide comments to Defendant's Counsel
11 prior to the filing deadline for the motion.

12 49. Settlement Class Release. As of the Effective Date of this Agreement, Plaintiff and
13 each of the Participating Class Members on behalf of themselves, their heirs, spouses, executors,
14 administrators, attorneys, agents, assigns, and any entities or businesses in which any of them have a
15 controlling ownership interest, shall waive, fully release and forever discharge the Released Parties
16 from the Released Claims. These releases will be effective only after Final Approval has been granted
17 and after Defendant has fulfilled all of its duties under the Settlement. All Aggrieved Employees
18 release their Released PAGA Claims regardless of whether they otherwise opt-out of the Agreement
19 and will receive a PAGA Award.

20 50. General Release by Class Representative and Opt-in Plaintiff. Upon the Effective Date
21 of this Settlement and Defendant's full performance of this Settlement and in consideration for and
22 dependent upon their receipt of a Service Payment or FLSA Individual Settlement, as applicable, Class
23 Representative and Opt-in Plaintiff shall release Defendant and its parents, directors, and owners from
24 all claims, demands, rights liability, and causes of action of every nature and descriptions whatsoever
25 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation
26 of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act
27 or omission, committed or omitted through the date Class Representative and Opt-in Plaintiff executed
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1 this Agreement. Upon the Effective Date of this Settlement and Defendant’s performance of this
2 Settlement, Class Representative and Opt-in Plaintiff shall release Defendant’s current and former
3 employees from all claims, demands, rights liability, and causes of action of every nature and
4 descriptions whatsoever known or unknown, asserted or that might have been asserted, whether in tort,
5 contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or
6 in connection with any act or omission, committed or omitted, related to Class Representative’s and
7 Opt-in Plaintiff’s employment with Defendant, except as limited herein. This additional release
8 includes all known and unknown claims, but excludes any claim that cannot be released as a matter of
9 law (e.g. claims for workers’ compensation benefits). As to the general release set forth in this
10 paragraph, Class Representative and Opt-in Plaintiff acknowledge that they have had the opportunity
11 to review and have reviewed California Civil Code section 1542, which provides:

12 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
13 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
14 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
15 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
16 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
17 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

18 Being fully informed of this provision of the California Civil Code and understanding its provisions,
19 Class Representative and Opt-in Plaintiff agree to waive any rights under Section 1542, and
20 acknowledge that this Agreement and the release contained herein extends to all claims that they have
21 or might have against the persons and entities released, including those which are presently unknown
22 to them.

23 51. Allocation of Gross Settlement Amount Among LWDA, Eligible Class Members, Class
24 Counsel, and Plaintiff, and Opt-in Plaintiff. The Settlement is non-reversionary, and not on a “claims
25 made” basis. No portion of the Gross Settlement Amount shall revert to, or become due and payable
26 to, Defendant. The following is proposed as the allocation of the Gross Settlement Amount for the
27 Court’s approval.

28 a. One-hundred thousand dollars (\$100,000) is allocated to the PAGA Fund for
PAGA penalties, 75% of which (or \$75,000) will be paid to the State of California (through the

1 LWDA), and 25% of which (or \$25,000) will be paid to Aggrieved Employees (the PAGA Award).
2 PAGA Awards shall be calculated based the total number of Work Weeks during the PAGA Period.

3 b. Up to thirty thousand dollars (\$30,000) is allocated to payment to the Class
4 Representative as Service Payment and as consideration for the general releases with Defendant. This
5 amount is in addition to the payment as a Class Member and shall be reported as 1099 income.

6 c. Up to fifteen thousand dollars (\$15,000) as the FLSA Individual Settlement to
7 Christopher Daniels in exchange for a general release with Defendant;

8 d. Class Administration Costs of up to \$10,000.

9 e. Reimbursement of out-of-pocket litigation costs and expenses, estimated at
10 \$65,000, to be subject to separate motion and substantiated through attorney declaration.

11 f. Attorney fees up to \$440,000, to be subject to separate motion and substantiated
12 through attorney declaration.

13 g. The Net Settlement Fund from which Eligible Class Members will receive their
14 Class Member Award. Class Member Awards will be based on each Eligible Class Member's Work
15 Weeks in relation to the total Eligible Class Member Work Weeks.

16 52. Payment of the Gross Settlement Amount and Distributions of Net Settlement Fund.

17 Upon entry of the Preliminary Approval Order, the Class Administrator shall forthwith establish all
18 financial accounts necessary to establish the Qualified Settlement Fund. Within seven (7) calendar
19 days of the Effective Date or such other date as the Court orders, Defendant shall deposit with the
20 Class Administrator funds that are reasonable and necessary to pay for the Gross Settlement Amount,
21 the Additional Settlement Payment, plus Defendant's share of payroll taxes. Checks shall be mailed
22 by the Class Administrator within seventeen (17) calendar days of the Effective Date. At Class
23 Counsel's request, the Class Administrator shall pay any award to Class Counsel by check or by wire
24 transfer, without charge, into such financial institution accounts as Class Counsel direct.

25 53. Taxation and Withholding; Uncashed Settlement Checks.

26 a. *Allocation.* The Parties agree that 33% of each Class Member Award shall be
27 allocated to Form W-2 wages, and 67% to penalties, interest, and other non-wages subject to Form
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1 1099 reporting. Each PAGA Award shall be treated as 100% penalties subject to Form 1099 reporting.
2 The Class Administrator will calculate from the Net Settlement Fund each Eligible Class Member's
3 share of the settlement, employee taxes, deductions, contributions and other amounts required to be
4 paid to government agencies and/or tax authorities, which amounts then shall be paid by the Class
5 Administrator from the Qualified Settlement Fund. Defendant is responsible for payment of all
6 employer payroll taxes (including but not limited to payroll taxes) and its own share of withholdings,
7 fees, deductions, contributions and other amounts to be paid to government agencies and/or tax
8 authorities. The Class Administrator shall also advise Defendant as to the amounts that Defendant is
9 required to remit in terms of employer payroll taxes and its own shares of other taxes, deductions, fees,
10 contributions and other amounts required to be paid to government agencies and/or tax authorities.
11 The Class Administrator shall provide, as appropriate, an IRS Form W-2 and Form 1099, and any
12 other tax documentation required by law, to each Eligible Class Member, Plaintiff and Opt-in Plaintiff,
13 and Class Counsel.

14 b. The Claims Administrator shall be solely responsible for complying with the
15 reporting and any payment obligations imposed by federal, state, and local tax agencies, and preparing,
16 filing, and issuing any required tax forms related to payments under this Settlement.

17 c. *Circular 230 Disclaimer.* Each of the Parties hereto acknowledges and agrees
18 that (1) no provision of this Agreement, and no written communication or disclosure between or
19 among the Parties hereto or their counsel and other advisers is or was intended to be, nor shall any such
20 communication or disclosure constitute or be construed or be relied upon as, tax advice within the
21 meaning of United States Treasury Circular 230 (31 CFR part 10, as amended); (2) each Party hereto
22 (a) has relied exclusively upon their own independent legal and tax advisors for advice in connection
23 with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any
24 other Party hereto or any Counsel or advisor to any other Party hereto, and (c) is not entitled to rely
25 upon any communication or disclosure by any other Counsel or advisor to any other Party hereto to
26 avoid any tax penalty that may be imposed on that Party hereto; and (3) no attorney or advisor to any
27 other Party hereto has imposed any limitation that protects the confidentiality of any such attorney's or
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1 advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the
2 Party hereto of the tax treatment or tax structure of any transaction, including any transaction
3 contemplated by this Agreement. Neither Class Counsel nor Defendant or its Counsel are responsible
4 for providing tax or financial advice, and Class Members are advised to seek independent professional
5 advice as to the tax or financial consequences of any payment they receive, or may receive, as Class
6 Members.

7 d. *Check Expiration and Refunds.* The expiration date of any instruments of
8 payment (such as checks) issued by the Class Administrator to Eligible Class Members will be one
9 hundred eighty (180) calendar days from the date such instruments are issued. The amount of any
10 instruments of payment that are not cashed, reissued, and/or otherwise negotiated by Eligible Class
11 Members within one hundred eighty (180) calendar days of the date of mailing of the settlement
12 checks or which are then undeliverable, shall go to *cy pres* recipient, Young Women's Freedom Center
13 (<https://youngwomenfree.org/investing-in-young-people/>), an organization that empowers young
14 people through providing quality mentorship, training, and employment opportunities to enable them
15 to meet their economic needs and work on financial freedom, builds the power of young people to
16 organize and advocate for system change, and provides sacred space and access for young people to
17 explore healing practices and build confidence, agency, and power. With locations in Contra Costa
18 County, Los Angeles, Oakland, San Francisco, and Santa Clara County, Young Women's Freedom
19 Center qualifies as a "child advocacy program" under C.C.P. 382(b). Following the date of expiration
20 of all of the Class Member Award checks, the Class Administrator shall provide to Class Counsel and
21 Defendant's Counsel a Class Administrator Declaration attesting that it has mailed the settlement
22 checks to Eligible Class Members and caused the amounts of any uncashed settlement checks to go to
23 the *cy pres* recipients. The Class Administrator shall distribute funds to the *cy pres* recipient within 30
24 calendar days of the expiration of the check.

25 54. Cooperation and Reasonable Modifications. The Parties hereto pledge their good faith
26 and fair dealing in supporting the approval of this Settlement by the Court. The Parties hereto and
27 their respective counsel will cooperate reasonably and in good faith for the purpose of achieving
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1 occurrence of the conditions set forth in this Agreement, including without limitation, timely filing of
2 all motions, papers and evidence necessary to do so, and refraining from causing or encouraging
3 directly or indirectly the submission of any objection to this Agreement, the submission of any Class
4 Member Objection or Opt-Out Request, or any appeal or petition for writ proceedings seeking review
5 of any order or judgment contemplated by the Settlement. This Agreement contemplates that the Court
6 and the Parties hereto may make reasonable modifications to the Agreement in order to affect its
7 essential terms and to obtain Preliminary Approval and Final Approval. Such modifications shall not
8 render this Agreement void, but rather the Parties hereto shall stipulate to such reasonable
9 modifications and take all necessary steps to give them effect. Any failure of any Party hereto,
10 Defendant's Counsel, and/or Class Counsel to comply with any obligation, covenant, agreement, or
11 condition of this Agreement may be expressly waived in writing, to the extent permitted under
12 applicable law, by the Party hereto or Parties hereto and their respective Counsel entitled to the benefit
13 of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict
14 compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a
15 waiver of, or estoppel with respect to, any subsequent or other failure.

16 55. Warranty of Authority. The undersigned each represent and warrant that each has
17 authority to enter into this Settlement, and that by doing so they are not in breach or violation of any
18 agreement with any third parties. The parties, however, recognize that this Agreement is subject to
19 Court approval.

20 56. Enforcement. This Agreement is enforceable pursuant to California Rule of Court
21 3.769(h).

22 57. Non-Admission of Liability. By entering into this Settlement, Defendant does not
23 admit liability in this action. Defendant expressly denies that it violated any law, or engaged in any
24 wrongdoing with respect to Plaintiff, Opt-in Plaintiff, and/or the Settlement Class Members. The
25 Parties agree that neither this Agreement entered by the Parties, nor any actions undertaken by
26 Defendant in satisfaction of the MOU or Settlement Agreement shall constitute, or be construed as, an
27 admission of any liability or wrongdoing.

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1 58. Confidentiality. The Parties and their counsel shall keep confidential all settlement
2 communications regarding the negotiation and drafting of the MOU and Settlement Agreement. The
3 Parties agree that no party shall issue any press release to the news media or communicate in any way
4 with any news media concerning the settlement or the litigation.

5 59. Neutral References. Defendant will provide neutral references to any third-party
6 inquiring about Class Representative or Opt-in Plaintiff Daniels's employment history with CPS and
7 will confirm only their dates of employment and job position.

8 60. Entire Agreement. This Agreement embodies the entire agreement of all the Parties
9 hereto who have executed it and supersedes any and all other agreements, understandings,
10 negotiations, or discussions, either oral or in writing, express or implied. The Parties hereto to this
11 Agreement each acknowledge that no representations, inducements, promises, agreements or
12 warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not
13 embodied in this Agreement; that they have not executed this Agreement in reliance on any
14 representation, inducement, promise, agreements, warranty, fact or circumstances, not expressly set
15 forth in this Agreement; and that no representation, inducement, promise, agreement or warranty not
16 contained in this Agreement including, but not limited to, any purported settlements, modifications,
17 waivers or terminations of this Agreement, shall be valid or binding, unless executed in writing by all
18 of the Parties hereto to this Agreement. This Agreement may be amended, and any provision herein
19 waived, but only in writing, signed by the Party against whom such an amendment or waiver is sought
20 to be enforced.

21 61. Return to Status Quo if Settlement Not Approved and Tolling. In the event the Court
22 denies final approval of the Settlement or an appeal leaves the Settlement unenforceable, the
23 Settlement shall be void and the Parties shall be returned to the same positions as existed as prior to the
24 signing of this Agreement. Additionally, pursuant to Code of Civil Procedure section 583.330(a), the
25 Parties stipulate that the time for bringing a case to trial under Code of Civil Procedure section 583.310
26 is tolled during the time it takes to obtain a Final Judgment approving the Agreement, from the date
27 that this agreement is fully executed. If the Agreement does not obtain final approval or is otherwise
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terminated, the tolling period will end fourteen (14) calendar days after the denial, decision rendering the Agreement unenforceable, or termination date. If the Court does not grant either preliminary or final approval of the Settlement, with the exception of this tolling agreement, neither the Agreement nor any documents prepared or submitted to the Court relating to the Settlement Agreement shall have any impact on or be used for any purpose in this Litigation, or in any future litigation.

62. Opportunity to Consult with Counsel. The Parties to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel prior to its execution.

63. Counterparts. This Agreement may be executed in counterparts by way of true and correct copies (including PDFs or other electronic images) of signatures, each of which shall have the same force and effect as an original, and all of which together shall constitute one and the same instrument.

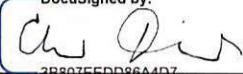
It is so agreed.

Dated: 8/3/2023

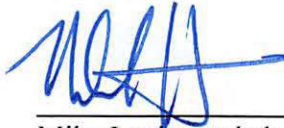
DocuSigned by:

D3FB6708C05E4FD...
James Lawson, Plaintiff

Dated: 8/3/2023

DocuSigned by:

3B807EEDD86A4D7...
Christopher J. Daniels, Opt-in Plaintiff

Dated: 8/3/23


Mike Lavin, on behalf of Defendant Consumer Portfolio Services, Inc.

[NAME]

[ADDRESS]

[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 [DATE].
- 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: [GBDH website].

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 settlement, please see the settlement agreement available at www._____.com, or by contacting the Class Administrator at [phone number].

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 XXXXX: [DATES], and that you worked X Work Weeks during that period.

If this information is incorrect, you should contact the Class Administrator at [mailing address, email, phone] to submit a dispute and any documents you have to support the disputed information by [60 days from mailing]. 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 \$____. 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 [mailing address, email, phone] to submit a dispute and any documents you have to support the disputed

information by [60 days from mailing]. 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.

8. Aggrieved Employee Additional Payment

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 [DATE], you are an "Aggrieved Employee." If the Court approves the PAGA settlement, Aggrieved Employees will release the Released PAGA Claims.

Your individual PAGA settlement payment 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 [DATE].

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 _____, at _____ to determine whether to give final approval to the settlement. This date may change without further notice to class members. Please check **[settlement website]** 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. This means that you cannot sue, continue to sue, or be part of any other legal action against CPS or its affiliated companies and their respective owners, parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns asserting the Released California Claims. 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, local law, and/or federal law which was or could have been raised in the Action based on the facts alleged in the complaints, including but not limited to claims based on California Labor Code sections 201, 202, 203, 204-204b, 210, 221, 222, 223, 225.5, 226, 226.2, 226.3, 226.7, 256, 510, 512, 551, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198 California Code of Regulations, Title 8 Sections 11000 and 11090, the applicable Industrial Welfare Commission (IWC) Wage Orders, Business & Professions Code sections 17200 *et seq.*, and any related damages, penalties, restitution, equitable relief, disgorgement, interest or attorneys' fees 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 **[DATE]**, you also will release the Released PAGA Claims. Released PAGA Claims means any claims relating to 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, including violations of California Labor Code sections, 201, 202, 203, 204-204b, 210, 221, 222, 223, 225.5, 226, 226.2, 226.3, 226.7, 256, 510, 512, 551, 552, 558, 1714, 1714.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, that accrued during your employment on or after June 4, 2017 through **[Date]**. 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 **[INSERT DATE 60 DAYS FROM NOTICE MAILING]**.

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 **[INSERT DATE 60 DAYS FROM NOTICE MAILING]**.

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 _____ in _____. This date may change without further notice to class members. Please check [**settlement website**] 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 **www.XXX.com**.

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, **phone number** 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
CPS@gbdhlegal.com

**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 ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT

Signature

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

Date