

All current and former non-exempt employees who worked for Defendant Nations Direct Mortgage, LLC (“Nations”) in the State of California from January 4, 2015 through September 1, 2020. Collectively, these employees will be referred to as “Settlement Class members.”

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

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *Joshua Louka et al. v. Nations Direct Mortgage, LLC*, Orange County Superior Court, Case No. 30-2019-01042277-CU-OC-CXC (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Nations’ records show that you were employed by Nations in California as a non-exempt employee between January 4, 2015 and September 1, 2020 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiffs Joshua Louka, Taura Perry, and Bob Hooks (“Plaintiffs”) brought this Lawsuit against Nations, asserting claims on behalf of all Settlement Class members. Plaintiffs are known as the “Class Representatives,” and their attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

In the Lawsuit, Plaintiffs allege that Nations failed to pay all wages, including failure to pay minimum wage, straight time compensation, overtime and double time, for all hours worked, including off-the-clock work, failed to provide all meal and rest periods, and reimbursement for all necessary business expenses. Plaintiffs also allege that Nations maintained inaccurate payroll records, issued inaccurate wage statements, and did not pay all wages owed to employees upon their separation of employment. Because of these alleged violations, Plaintiffs contend that Nations engaged in unlawful business practices and is also liable for civil penalties under the Private Attorneys General Act (“PAGA”). Nations denies that it has done anything wrong. Nations denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Nations, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiffs’ claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Nations has concluded that it is in its best interests and the interests of Settlement Class members to settle the Lawsuit on the terms summarized in this Notice. After Nations provided relevant information to Class Counsel, the Settlement was reached after mediation and arm’s-length negotiations between the parties.

The Class Representatives and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Nations, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Nations, your decision about whether to participate in the Settlement will not affect your employment. California law and Nations’ policy strictly prohibit unlawful retaliation. Nations will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member’s decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiffs / Settlement Class Members: NATHAN & ASSOCIATES, A.P.C. Reuben D. Nathan 2901 W. Coast, Suite 200 Newport Beach, California 92663 Tel: (949) 270-2798 Fax: (949) 209-0303 Email: rnathan@nathanlawpractice.com	Attorneys for Nations: BUCHALTER, A Professional Corporation Kalley R. Aman 1000 Wilshire Blvd., Suite 1500 Los Angeles, California 90017 Tel: (213) 891-0700 Fax: (213) 896-0400 Email: kaman@buchalter.com
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What are the terms of the Settlement?

On April 30, 2021, the Court preliminarily certified a class – for settlement purposes only – of all current and former non-exempt employees who worked for Nations in California as non-exempt employees from January 4, 2015 through September 1, 2020. Settlement Class members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Nations as described below in the “Release” section.

Nations has agreed to pay \$800,000.00 (the “Maximum Settlement Amount”) to fully resolve all claims in the Lawsuit, including payments to Settlement Class members, attorneys’ fees and expenses, settlement administration costs, payment to the California Labor and Workforce Development Agency (“LWDA”) for its share of PAGA civil penalties, and the Class Representative Enhancement Payments.

The following deductions from the Maximum Settlement Amount will be requested by the parties:

a) Settlement Administration Costs. The Court has approved ILYM Group, Inc. to act as the “Settlement Administrator,” who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$10,000.00 from the Maximum Settlement Amount to pay the Settlement administration costs.

b) Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Maximum Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount (which is currently estimated to be \$240,000.00) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$15,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

c) Class Representative Enhancement Payments. Class Counsel will ask the Court to award a total amount of \$20,000.00 for the Class Representative Enhancement Payments, to compensate for their services and extra work provided on behalf of the Settlement Class members.

d) PAGA Payment to the State of California. The parties have agreed to allocate \$25,000.00 of the Maximum Settlement Amount as PAGA civil penalties. Per Labor Code Section 2699 (i), 75% of such penalties (\$18,750.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 25% (\$6,250.00) will be payable to the Settlement Class as the “PAGA Amount.”

e) Calculation of Class Members’ Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount is estimated at approximately \$496,250.00. The Net Settlement Amount will be divided as follows:

Defendant will calculate the total workweeks for all Participating Class Members. The respective workweeks for each Participating Class Member will be divided by the total workweeks for all Participating Class Members, resulting in the payment ratio for each Participating Class Member. Each Participating Class Member’s payment ratio is then

multiplied by the Net Settlement Amount to determine his or her estimated Individual Settlement Payment (“Individual Share”).

f) Individual Settlement Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Participating Settlement Class members who did not submit a valid and timely Request for Exclusion.

g) Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be allocated 33.3% as penalties and 33.3% as interest, for which the Settlement Administrator will issue each participating Settlement Class Member an IRS Form 1099; and 33.3% as wages, for which the Settlement Administrator will issue each participating Settlement Class Member an IRS Form W-2. Nations shall pay its share of payroll taxes related to the portions of Individual Settlement Payments allocated as wages separate from, and in addition to, the Maximum Settlement Amount. Participating Settlement Class members are responsible for the proper income tax treatment of the Settlement Payments. The Settlement Administrator, Nations and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will release and discharge Nations from any and all wage and hour claims, penalties, rights, debts, demands, damages, liabilities and causes of action that were asserted or could have been asserted based on the factual allegations in the First Amended Complaint (dated April 4, 2019) and in Plaintiffs’ PAGA Notices (dated January 8, 2019), including all claims for unpaid wages, including failure to pay minimum wage, straight time compensation, overtime and double time compensation, and interest; payment for all hours worked, including off-the-clock work; premium payments for meal period and rest break violations; waiting time penalties; reimbursement for all necessary business expenses; failure to keep accurate records; damages or penalties for inaccurate wage statements; unfair business practices pursuant to Business & Professions Code, section 17200, et seq.; penalties of any nature whatsoever (including penalties pursuant to PAGA); claims for restitution, disgorgement, and other equitable relief, or liquidated damages, and attorneys’ fees and expenses. The Released Claims include all such claims arising under the California Labor Code (including, but not limited to, sections 201, 202, 203, 204, 210, 221, 222, 223, 224, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698, et seq., and 2699, et seq. (predicate Labor Code Sections 200, 201, 201.3, 202, 203, 204, 204b, 204.1, 204.2, 205, 205.5, 208, 210, 221-224, 225.5, 226, 226(a), 226(e), 226.3, 226.7, 500-508, 510, 512, 515, 558, 1174, 1174.5, 1182, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 2698, et seq., 2699, et seq. 2751, 2802, 2810.5, IWC Wage Order 4-2001), and/or the applicable California Industrial Welfare Commission Wage Order 4-2001, and any requests for attorney’s fees or costs on the Released Claims, except as provided in this Agreement, including but not limited to, under California Code of Civil Procedure section 1021.5). The release of claims for waiting-time penalties and inaccurate itemized wage statement penalties shall encompass such claims regardless of the underlying theory. This release shall apply to all claims arising at any point between January 4, 2015 September 1, 2020.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Settlement Payment that has been calculated for you based on the formula set forth above, as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks you worked during the relevant time period. The information contained in Nations’ records regarding this information, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a completed **Dispute Form**, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award and **Dispute Form**. Any disputes, along with supporting documentation, must be postmarked no later than July 20, 2021. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. Should a consensus not be reached, any outstanding disputes will be submitted to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by submitting the Request for Exclusion Form to the Settlement Administrator no later than July 20, 2021.

Send the Request for Exclusion directly to the Settlement Administrator at ILYM Group, Inc. | P.O. Box 2031 Tustin, CA 92781. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement. You will receive your individual share of PAGA payments and you shall be bound by the release of PAGA claims even if you file a timely Request for Exclusion.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written objection to the Settlement Administrator. Your written objection must include your name, signature, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections must be in writing and must be postmarked on or before July 20, 2021.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for October 8, 2021 at 9:00 a.m. in Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701. The location and time of the Final Approval Hearing may be moved without further notice to you. You should contact Class Counsel using the contact information provided above to confirm the address and time of the hearing, if you wish to appear in person. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Joshua Louka et al. v. Nations Direct Mortgage, LLC.*, Orange County Superior Court, Case No. 30-2019-01042277-CU-OC-CXC.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on October 8, 2021 at 9:00 a.m., in Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701. The location and time of the Final Approval Hearing may be moved without further notice to you. You should contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the Enhancement Payments to the Class Representatives, the Settlement Administrator's costs, and amount set aside for PAGA civil penalties. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. To review documents supporting this Settlement, please visit www.nationsdirectmortgagesettlement.com. For additional information, you may inspect the Court's files and the Settlement Agreement at the Clerk's Office of the Orange County Superior Court, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701, during regular business hours OR visit the Court's website at www.occourts.org and apply the following steps: (1) Click on the Online Services tab, (2) Click Case Access after the drop down menu populates, (3) click Civil Case and Document Access, (4) Accept Terms, and (5) Type in the Case Number and Year Filed. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, NATIONS OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is July 20, 2021. These deadlines will be strictly enforced.

NOTICE OF SETTLEMENT AWARD

Louka v. Nations Direct Mortgage, LLC, et al.

Superior Court of California, County of Orange, Case No. 30-2019-01042277-CU-OC-CXC

According to Nations Direct Mortgage, LLC's ("Nations") records, you worked «Ilym_Work_Weeks» workweeks for Nations in California between January 4, 2015 and September 1, 2020. Based on this information, your Individual Settlement Award is estimated at \$«Estimated_Settlement_Amount».

If you disagree with the information above, please refer to the Dispute Form.

DISPUTE FORM

Louka v. Nations Direct Mortgage, LLC, et al.

Superior Court of California, County of Orange, Case No. 30-2019-01042277-CU-OC-CXC

You must complete this Dispute Form to challenge the estimated Individual Settlement Payment. You must complete, sign, date, and mail this Dispute Form and provide supporting documentation by First-Class U.S. mail postmarked on or before July 20, 2021, addressed to the Claims Administrator at the following address:

MAIL TO:
Nations Direct Mortgage, LLC Claims Administration
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810

INSTRUCTIONS

A. You must complete, sign, date, and mail this Dispute Form to challenge the estimated Individual Settlement Payment which must be postmarked on or before July 20, 2021, or it will be rejected, and you will be bound by the terms of the Settlement. Your Dispute Form also must be filled out completely, signed, and dated before the deadline, or it will be rejected.

B. You are responsible to maintain a copy of the fully completed Dispute Form and proof of mailing.

C. If you move, please send the Claims Administrator your new address. It is your responsibility to keep a current address on file with the Claims Administrator.

D. Do NOT send originals; documentation send to the Claims Administrator will not be returned or preserved.

I HAVE RECEIVED THE DISPUTE FORM IN *LOUKA v. NATIONS DIRECT MORTGAGE, LLC, ET AL.*, AND IT IS MY DECISION TO CHALLENGE THE ESTIMATED AMOUNT OF MY INDIVIDUAL SETTLEMENT PAYMENT AND I AM ATTACHING _____ SUPPORTING DOCUMENTS IN CONNECTION WITH MY CHALLENGE, WHICH ARE ATTACHED TO THIS DISPUTE FORM.

Name: _____

Address: _____

(Sign your name here)

(Print your name here)

Date

REQUEST FOR EXCLUSION FORM

Louka v. Nations Direct Mortgage, LLC, et al.

Superior Court of California, County of Orange, Case No. 30-2019-01042277-CU-OC-CXC

You must complete this Request for Exclusion Form to exclude yourself or “opt out” of the Settlement Class. You must complete, sign, date, and mail this Request for Exclusion Form by First-Class U.S. mail postmarked on or before July 20, 2021, and addressed to the Claims Administrator at the following address to exclude yourself from the Settlement Class:

MAIL TO:
Nations Direct Mortgage, LLC Claims Administration
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810

INSTRUCTIONS

A. You must complete, sign, date, and mail this Request for Exclusion Form to exclude yourself or “opt out” of the Settlement. Your Request for Exclusion Form must be postmarked on or before July 20, 2021, or it will be rejected, and you will be bound by the terms of the Settlement. Your Request for Exclusion Form also must be filled out completely, signed, and dated before the deadline, or it will be rejected.

B. You are responsible to maintain a copy of the fully completed Request for Exclusion Form and proof of mailing.

C. If you move, please send the Claims Administrator your new address. It is your responsibility to keep a current address on file with the Claims Administrator.

I HAVE RECEIVED NOTICE OF THE SETTLEMENT IN *LOUKA v. NATIONS DIRECT MORTGAGE, LLC, ET AL.*, AND IT IS MY DECISION NOT TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND NOT TO BE A MEMBER OF THE SETTLEMENT CLASS. I UNDERSTAND I WILL NOT BE PAID SETTLEMENT AWARD OR RECEIVE ANY MONEY FROM THIS SETTLEMENT, AND I WILL NOT BE BOUND BY THE TERMS OF THE SETTLEMENT.

Name: _____

Social Security Number: _____

Address: _____

(Sign your name here)

(Print your name here)

Date