

NOTICE OF SETTLEMENT OF CLASS ACTION LAWSUIT

Hesami v. Community Bank

Superior Court of California, County of Los Angeles, Central Civil West, Case No. BC640235

To: All individuals who are currently employed by, or formerly have been employed by, Community Bank as exempt Relationship Managers (including the job positions of Relationship Manager I, Relationship Manager II, Relationship Manager Team Lead, Real Estate Relationship Manager, and Real Estate Senior Relationship Manager) in the State of California, during the time period November 9, 2012 through May 2, 2018:

**PLEASE READ THIS NOTICE CAREFULLY IT MAY AFFECT YOUR LEGAL RIGHTS
YOU MAY BE ENTITLED TO COMPENSATION FROM THIS SETTLEMENT**

I. INTRODUCTION

A proposed class action settlement (the "Settlement") of the above-captioned action (the "Action") has been reached by the parties and has been granted preliminary approval by the Court supervising the Action.

A final settlement hearing will be held on **January 24, 2019 at 9:00 a.m.** to determine whether the Settlement should be granted final approval ("Final Approval Hearing").

Records of Community Bank show that you were employed by Community Bank as an exempt Relationship Manager in the State of California during the time period from November 9, 2012 through May 2, 2018 (the "Settled Period"), and therefore are a Class Member in this Action ("Class Member").

As a Class Member, Community Bank's records indicate that you are entitled to compensation under the Settlement and the Settlement affects your legal rights, unless you "opt out" of the Settlement. The purpose of this Notice is to: (1) describe the Action, (2) inform you of the terms of the Settlement, and (3) inform you of your rights and options in connection with the Settlement.

II. SUMMARY OF THE ACTION

On November 9, 2016, Plaintiff Saeed Hesami ("Plaintiff") commenced the putative wage and hour class action and PAGA representative action (California Labor Code § 2698, et seq.), entitled *Saeed Hesami v. Community Bank* in the Superior Court of California, County of Los Angeles, Case No. BC640235.

Plaintiff alleges that Community Bank has a policy and practice of misclassifying Relationship Managers as exempt employees, amongst other claims. Plaintiff alleges that Community Bank violated the California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1198, and 2802 and that these violations resulted in underpayment of wages to Class Members. Plaintiff seeks to maintain a class action on behalf of himself and all persons who have been employed or have been employed within the Class Period, or are currently employed as an exempt Relationship Manager. Plaintiff also seeks civil penalties pursuant to the Private Attorneys General Act (Cal. Labor Code Section 2698, et seq.) related to these claims.

Community Bank denies any liability or wrongdoing of any kind in connection with Plaintiff's claims, and contends that Class Members are and were properly classified and treated in compliance with California law. Consequently, Community Bank does not believe that any liability to Plaintiff or Class Members exists, or that Plaintiff or Class Members are entitled to any recovery. Community Bank is represented by the following counsel:

Sandra R. King, Esq.

Reid P. Davis, Esq.

MANATT, PHELPS & PHILLIPS, LLP

11355 West Olympic Boulevard

Los Angeles, California 90064

The Court has not made any determinations regarding the merits of Plaintiff's claims.

The Court granted preliminary approval of the Settlement on September 12, 2018 on behalf of the Class defined for settlement purposes as:

All employees of Community Bank employed in California at any time between November 9, 2012 and May 2, 2018 holding the position of exempt Relationship Manager including the job positions of Relationship Manager I, Relationship Manager II, Relationship Manager Team Lead, Real Estate Relationship Manager, and Real Estate Senior Relationship Manager.

At that time, the Court also preliminarily approved Plaintiff to serve as the Class Representative, and the law firm Wynne Law Firm to serve as counsel for the Class ("Class Counsel"):

Edward J. Wynne, Esq.
WYNNE LAW FIRM
Wood Island
80 E. Sir Francis Drake Blvd., Ste. 3G
Larkspur, CA 94939
1-415-461-6400
ewynne@wynnelawfirm.com

The Court also scheduled a Final Approval Hearing regarding the Settlement at 9:00 a.m. on **January 24, 2019**, in Courtroom 17, Superior Court of California, County of Los Angeles, located at 312 N. Spring Street, Los Angeles, California, 90012, at which time the Court will decide whether to grant final approval of the Settlement.

III. SUMMARY OF SETTLEMENT TERMS

Total Settlement Amount. Under the proposed Settlement, Community Bank has agreed to create a Settlement Fund in the amount of \$500,000, which will cover, among other things, individual settlement payments to participating Class Members. The Total Settlement Amount is inclusive of: (i) the Partial Release Pre-Payment, (ii) the Net Settlement Amount, (iii) the service payment to Plaintiff as the Class Representative, (iv) reasonable attorneys' fees to Class Counsel, (v) reimbursement of reasonable litigation costs and expenses of Class Counsel, (vi) payment to the Labor Workforce Development Agency ("LWDA"), and (vii) the Settlement Administrator's fees and expenses.

The Net Settlement Amount is the amount of the Total Settlement Amount, less the following amounts:

- Settlement Administration Fees and Expenses. Payment to the Settlement Administrator, KCC Class Action Services, in an amount not to exceed \$12,500, for, among other things, the expense of notifying the Class Members of the Settlement, processing disputes, objections, and opt-outs submitted by Class Members, and calculating and distributing settlement payments.
- Attorneys' Fees and Expenses. Payment to Class Counsel of reasonable attorneys' fees not to exceed 33.33% of the Total Settlement Amount (i.e., \$166,666) as reasonable compensation for the work Class Counsel performed in this Action, and will continue to perform through settlement finalization, together with reimbursement for litigation expenses actually incurred in connection with the Action, up to \$25,000. Class Counsel has been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses. Any amount for payment of attorneys' fees and expenses is subject to approval by the Court.
- Service Payment to Plaintiff. A service payment to Plaintiff in an amount not to exceed \$20,000 for his services on behalf of the Class in initiating and prosecuting the action. This payment is in addition to whatever payment Plaintiff is otherwise entitled to as a Class Member.
- Partial Release Pre-Payment. Community Bank has already paid a total of \$11,600 to certain members of the Class in exchange for releases of claims.
- Payment to the Labor Workforce Development Agency. \$10,000 of the Total Settlement Amount represents alleged penalties pursuant to the Labor Code Private Attorneys General Act, Cal. Labor Code § 2698, et seq., and \$7,500 shall be paid to the LWDA and \$2,500 shall remain a part of the Net Settlement Amount.

Calculation of Class Member Awards. Class Members who do not timely submit a valid a valid Exclusion ("Opt-Out") Form or written request for exclusion ("Settlement Class Members") shall be entitled to receive an Individual Settlement Payment based on the number of verified weeks he or she has worked as an exempt Relationship Manager employed by Community Bank in California during the Settled Period ("Individual Workweeks").

The Individual Settlement Payment that each Class Member is eligible to receive will be calculated as follows: The dollars per compensable workweek ("Workweek Value") will be calculated by dividing the Net Settlement Amount by the total workweeks worked by the Settlement Class Members during the Class Period. The Workweek Value will be multiplied by the number of compensable workweeks worked by each Settlement Class Member to determine the Individual Settlement Payments. No benefit, including but not limited to any 401(k) plan, shall increase or accrue as a result of any payment made as a result of this settlement.

Tax Matters. Thirty-four percent (34%) of each Individual Settlement Payment to be paid to Settlement Class Members (other than the service payment to the Plaintiff) will be treated as payment of wages and will be subject to IRS Form W-2 reporting. Settlement Class Members shall be paid their Individual Settlement Payment, subject to reduction for the applicable employee's share of taxes and withholdings with respect to this wage portion of his or her Individual Settlement Payment. Thirty-three percent (33%) of the Individual Settlement Payments made will be treated as payment of interest, and thirty-three percent (33%) of the Individual Settlement Payments made will be treated as payment of penalties. Settlement Class Members will be issued an IRS Form 1099 for the interest and penalties portion of the Individual Settlement Payments, and no taxes will be withheld from these portions. Community Bank shall pay Corporate Payroll Taxes separately and in addition to the Total Settlement Amount.

Release. Upon the Effective Date, each member of the Class who has not validly opted out of the Settlement shall be deemed to have fully, finally, and forever released Community Bank and any of its former and present subsidiaries, holding companies, parent companies and affiliated companies, and its or their respective officers, directors, employees, partners (both current and former), shareholders and agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), and any other successors, assigns, or legal representatives ("Released Parties") from any and all claims for damages or any other remedies, including, but not limited to, claims for liquidated damages, restitution, disgorgement, conversion, unjust enrichment, penalties, interest, and attorneys' fees and costs, contingent or accrued, against the Released Parties, that could have been pled, or were pled, based on the factual allegations in the Complaint, and any amendments thereto including, but not limited to, claims for unpaid overtime, failure to pay minimum wage, failure to provide meal or rest breaks or pay one hour's wages in lieu thereof, failure to indemnify for all work-related expenditures and losses, failure to pay wages upon termination of employment in a timely manner, failure to provide accurate itemized pay stubs, failure to keep requisite payroll records, failure to pay wages during employment, violations of the Private Attorney General Act under California Labor Code Section 2698, et seq., violations of Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1198, and 2802, and violations of Business and Professions Code Sections 17000 and 17200 et seq. for Unfair Business Practices limited to the aforementioned Labor Code violations and the relevant Wage Orders issued by the Industrial Welfare Commission ("Released Claims") arising during the Settled Period.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing, granting final approval of the Settlement.

IV. RIGHT TO COMPENSATION FROM THE SETTLEMENT

Based on Community Bank's Records:

Your number of Individual Workweeks during the Settled Period is <Weeks>.

Your estimated Individual Settlement Payment is <\$Amount>.

If you disagree with the Individual Workweeks listed above, you may challenge the number(s) by mailing a separate, written challenge which must include: (1) your name, address, telephone number and last four digits of your Social Security Number; (2) your signature; (3) an explanation of the number of Individual Workweeks that you contend is correct, along with supporting evidence, if any; and (4) the case number (BC640235). Your dispute must be **postmarked by no later than November 26, 2018 or 15 calendar days after the re-mailing of the Notice Packet, whichever is later** to the Settlement Administrator at the following address:

Hesami v. Community Bank Settlement
c/o KCC Class Action Services
P.O. Box 404041
Louisville, KY 40233-4041

V. RIGHT TO EXCLUDE ONESELF FROM THE SETTLEMENT

If you do not wish to participate in the Settlement of your claims, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive no compensation from the Settlement, and you will not be bound by its terms.** To opt out, you must complete, sign, and submit the enclosed Opt-Out Form to the Settlement Administrator postmarked no later than **November 26, 2018 or 15 calendar days after the re-mailing of the Notice Packet, whichever is later.** In the alternative, you may submit a separate written request for exclusion. The Opt-Out Form or the written request for exclusion: (1) must contain the name, address, and telephone number and the last four digits of the Social Security Number of the person requesting exclusion; (2) must be signed; (3) must be returned by mail to the Settlement Administrator; and (4) must be postmarked on or before the deadline described above. The date of the postmark on the return mailing

envelope shall be the means used to determine whether an Opt-Out Form or written request for exclusion has been timely submitted. Class Members who fail to submit a valid and timely Opt-Out Form or written request for exclusion before the deadline shall be bound by the Settlement and its releases but will not be considered Settlement Class Members and will not receive settlement payments.

VI. RIGHT TO OBJECT TO THE SETTLEMENT

If you are a Class Member who has not opted out and believe that the Settlement should not be finally approved by the Court for any reason, you may object to the proposed Settlement by written objection or at the Final Approval Hearing. Written objections must contain: (1) the objecting person's full name and current address, (2) the person's reasons for objecting, (3) any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations), (4) whether the person has a legal representative and, if so, the legal representative's contact information, and (5) whether the person intends to appear at the Final Approval Hearing. Written objections must state the name and number of the case, which is *Hesami v. Community Bank*, Superior Court of California, County of Los Angeles, Case No. BC640235, and must be mailed to the Settlement Administrator postmarked on or before November 26, 2018 at *Hesami v. Community Bank Settlement*, c/o KCC Class Action Services, P.O. Box 404041, Louisville, KY 40233-4041.

If you wish to object and have the objection considered by the Court, you may also appear at the Final Approval Hearing scheduled for January 24, 2019 at 9 a.m., in Courtroom 17, Superior Court of California, County of Los Angeles, located at 312 N. Spring Street, Department 17, Los Angeles, California, 90012. You have the right to appear either in person or through your own attorney at this hearing. If you object to the Settlement, you will remain a member of the Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not properly object shall have waived any objection to the Settlement, whether by appeal or otherwise.

VII. HEARING ON THE SETTLEMENT

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held at 9:00 a.m. on January 24, 2019 in Courtroom 17, Superior Court of California, County of Los Angeles, located at 312 N. Spring Street, Los Angeles, California, 90012. You may attend the hearing and have the right to formally appear at the hearing either in person or through your own attorney (at your own expense). The hearing may be continued without further notice.

VIII. ADDITIONAL INFORMATION AND NOTICE OF FINAL JUDGMENT

This Notice is only a summary of the Action and the Settlement. Class Members should contact the Settlement Administrator with any concerns or questions regarding the Settlement:

Hesami v. Community Bank Settlement
c/o KCC Class Action Services
P.O. Box 404041
Louisville, KY 40233-4041
Call Center Telephone No.: 1-800-403-2581

When the final judgment is entered in this action, notice will be posted online at: www.lacommunitybankclassaction.com

Class Members may also contact Class Counsel for more information regarding the Settlement.

Edward J. Wynne, Esq.
WYNNE LAW FIRM
Wood Island
80 E. Sir Francis Drake Blvd., Ste. 3G
Larkspur, CA 94939
1-415-461-6400
ewynne@wynnelawfirm.com

You may also refer to the pleadings, the Joint Stipulation of Class Action and PAGA Settlement, and other papers filed and/or submitted in the Action, which may be inspected at the Office of the Clerk for the Superior Court of California, County of Los Angeles, Stanley Mosk Courthouse, located at 111 N. Hill Street, Los Angeles, California, 90012 during regular business hours of each court day.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH QUESTIONS.