

NOTICE OF CLASS ACTION SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All non-exempt hourly-paid employees who worked for Portfolio Recovery Associates, LLC within the State of California from February 16, 2017, through August 26, 2022.

The California Superior Court, County of San Diego has granted preliminary approval to a proposed settlement (“Settlement”) of the above-captioned action (“Class Action”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement (“Notice”) carefully.

The Court has certified the following class for settlement purposes (“Class” or “Class Members”):

All non-exempt hourly-paid employees who worked for Portfolio Recovery Associates, LLC within the State of California from February 16, 2017, through August 26, 2022, but specifically excluding any individual(s) who filed their own separate action as a named plaintiff alleging the same or similar claims being released herein.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, the scope of the Settlement Release, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received This Notice?

The personnel records of Portfolio Recovery Associates, LLC (“Defendant”) indicate that you may be a Class Member. The Settlement will resolve all Class Members’ Released Claims, as described below, from February 16, 2017, through August 26, 2022 (the “Class Period”).

A Preliminary Approval Hearing was held on August 26, 2022, in the California Superior Court, County of San Diego. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed settlement on December 29, 2022 at 10:30 a.m., before Honorable Richard S. Whitney, located at 330 West Broadway, San Diego, California 92101 (Hall of Justice), Department C-68.

2. What Is This Case About?

The actions entitled *Jasfer Nepomuceno, et al. v. Portfolio Recovery Associates, LLC* were commenced by Plaintiffs Jasfer Nepomuceno and Danielle Winkle in the San Diego County Superior Court (Case Numbers 37-2021-00006651-CU-OE-CTL and 37-2021-00006737-CU-OE-CTL) as a class action and representative PAGA action.

Plaintiffs Jasfer Nepomuceno and Danielle Winkle are referred to in this Notice as “Plaintiffs.” Plaintiffs’ action against Defendant sought damages, restitution, penalties, interests, costs and attorney’s fees and other relief based on the following alleged causes of action: Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime), Violation of California Labor Code sections 226.77 and 512(a) (Unpaid Meal Period Premiums), Violation of California Labor Code section 226.7(Unpaid Rest Period Premiums), Violation of California Labor Code sections 1194, 1197.1 and 1197 (Unpaid Minimum Wages), Violation of California Labor Code sections 201, 202 and 203 (Final Wages Not Paid Timely), Violation of California Labor Code section 226(a) (Non-Compliant Wage Statements), Violation of California Labor Code sections 2800 and 2802 (Unreimbursed Vehicle Expenses), Violation of California Labor Code sections 2698, *et seq.* (California Labor Code Attorneys General Act of 2004), and Violation of California Business and Professions Code sections 17200, *et seq.*

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit.

In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

Defendant expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiffs or to the Class.

3. Am I A Class Member?

You are a Class Member if you are currently or were formerly employed by Defendant as an hourly-paid or non-exempt employee in California at any time from February 16, 2017, through August 26, 2022 and did not file a separate action as a named plaintiff alleging the same or similar claims being released herein.

4. How Does This Class Action Settlement Work?

In this Action, Plaintiffs sued on behalf of themselves and all other similarly situated employees who were employed by Defendant as non-exempt employees in California at any time during the Class Period. Plaintiffs and these other current and former employees comprise a “Class” and are “Class Members.” The settlement of this Action resolves the Released Claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiffs and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact the Settlement Administrator, whose contact information is above, and they will provide you with a copy free of charge.

5. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiffs and the Class	Attorneys for Defendant
JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Phillip Song Lizette Rodriguez 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259	MCGUIREWOODS LLP Sabrina A. Beldner 1800 Century Park East, 8 th Floor Los Angeles, California 90067 Telephone: (310) 315-8200 Facsimile: (310) 315-8210

The Court has decided that Justice Law Corporation is qualified to represent you and all other Class Members simultaneously.

Plaintiffs’ Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this lawsuit and will receive an Individual Settlement Payment based on the total number of workweeks you worked as an hourly-paid, non-exempt employee in California during the Class Period. You will release all of the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Action. If the Court grants final approval of the Settlement, you will not receive an Individual Settlement Payment and you will not give up the right to sue the Released Parties, including Defendant, for any the Released Claims as defined in Section No. 9 below. If you do “opt-out,” you will still receive a portion of the PAGA Settlement (defined below). Your right to pursue a claim pursuant to PAGA will be extinguished, regardless of whether you opt-out.
- **OBJECT:** You may file a legal objection to the proposed settlement. If you would like to object, you may not opt out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt Out or Exclude Myself From This Settlement” and “How Do I Object To The Settlement?”

7. How Do I Opt Out Or Exclude Myself From This Class Settlement?

If you do not wish to participate in the Class Settlement, you may be excluded from the Class Settlement (*i.e.*, “opt out”) by sending a timely Exclusion Request. If you opt out of the Class Settlement, you will not be releasing the claims set forth in Section 9. Any Exclusion Request you submit must unambiguously state that you wish to be excluded from the class settlement, and it must be signed by you and must include your name, address and the last four digits of your social security number. Your Exclusion Request must be signed, dated, and mailed by First Class U.S. Mail, **postmarked no later than November 28, 2022** to: ***Jasfer Nepomuceno, et al. v. Portfolio Recovery Associates, LLC C/O CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606.***

If you received a re-mailed Class Notice, whether by skip-trace or forwarded mail, you will have an additional ten (10) days to postmark an Exclusion Request, or file and serve an objection to the Settlement. The envelope should indicate whether the Class Notice has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event the deadline is challenged.

The Court will exclude any Class Member who submits a complete and timely Exclusion Request as described in the paragraph above. Exclusion Requests that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Any Class Member who fails to submit a valid and timely Exclusion Request on or before the above-specified deadline shall be bound by all terms of the Settlement, release, and any Judgment entered in the Action if the Settlement receives final approval from the Court.

If a Class Member submits a Request for Exclusion and a Notice of Objection, the Notice of Objection will be deemed valid, and the Request for Exclusion will be invalid as set forth in the Settlement.

8. *How Do I Object To The Class Settlement?*

If you are a Class Member who does not opt out of the Class Settlement, you may object to the Class Settlement, personally or through an attorney, by mailing it to the Settlement Administrator at Jasfer Nepomuceno, et al. v. Portfolio Recovery Associates, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 by November 28, 2022. The written objections must be signed by the Class Member and state: (a) the case name and number; (b) the objecting person's full name, address, telephone number, and last four digits of the Class Member's Social Security Number and/or Employee ID Number; (c) the words "Notice of Objection" or "Formal Objection;" and (d) a statement of his or her reasons for objecting.

Class Members may appear at the Final Approval Hearing, either in person or through the objector's own counsel. Class Members' timely objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator postmarked on or before November 28, 2022.

If the Court rejects the Notice of Objection, the Class Member will receive an Individual Settlement Payment and will be bound by the terms of the Settlement.

If a Class Member submits a Request for Exclusion and a Notice of Objection, the Notice of Objection will be deemed valid, and the Request for Exclusion will be invalid as set forth in the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will fully release and discharge Defendant and its parents, subsidiaries, past or present officers, directors, shareholders, employees, investors, assigns, agents, principals, heirs, representatives, accountants, auditors, consultants, and insurers and reinsurers. ("Released Parties"). The Released Claims are as follows:

A. Released Claims.

All causes of action and factual or legal theories that were alleged in the Consolidated Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Consolidated Complaint for the Class Period, including all of the following claims for relief: (a) failure to pay or properly calculate all wages owed, including minimum wages, straight time wages, overtime wages, or any other wages; (b) failure to provide complete, accurate or properly formatted wage statements; (c) failure to provide proper meal periods or premium pay in lieu thereof; (d) failure to provide proper rest periods or premium pay in lieu thereof; (e) failure to reimburse for all necessary business-related costs and expenses; (f) waiting time penalties; (g) failure to timely pay wages; (h) failure to maintain payroll records; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Consolidated Complaint; and (j) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Consolidated Complaint and the LWDA letter. The definition of Released Claims covers all of the claims described above. The Released Parties shall be entitled to a release of the Released Claims which occurred during the Class Period

only during such time that the Participating Class Member was classified as non-exempt and/or hourly. The Released Class Claims expressly exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt and claims outside of the Class Period.

10. *How Much Can I Expect to Receive From This Settlement?*

The total maximum amount that Defendant could be required to pay under this Agreement shall be up to but no more than \$850,000 ("Gross Settlement Amount" or "GSA").

The "Net Settlement Amount" or "NSA" means the portion of the Gross Settlement Amount available for distribution to Class Members after the deduction of (1) the Class Representative Enhancement Payment to Plaintiffs Jasfer Nepomuceno and Danielle Winkle in an amount up to \$10,000 each for prosecution of the action, risks undertaken for the payment of attorneys' fees and costs, and a general release of all claims; (2) the Settlement Administration Costs to the Settlement Administrator, CPT Group, Inc., in a sum not to exceed \$10,000; (3) PAGA Payments paid to the California Labor Workforce Development Agency ("LWDA") and aggrieved employees; (4) payment to Class Counsel for Class Counsel fees in an amount not to exceed \$297,500, thirty-five percent (35% of the Gross Settlement Amount) for attorneys' fees; and (5) payment to Class Counsel of Cost Award in an amount not to exceed \$25,000 for litigation costs. All of these payments are subject to court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount, will be proportionately distributed among all Class Members who have not opted out. The Settlement Administrator will calculate the individual settlement shares for Participating Class Members. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked in an hourly or non-exempt capacity based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class data, which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: <<\$EstAmount>>, less taxes. This is based on Defendant's records which show you worked <<Workweeks>> workweeks during the Class Period.

If you believe the number of eligible workweeks records are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at Jasfer Nepomuceno, et al. v. Portfolio Recovery Associates, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 on or before November 28, 2022. The Parties will file with the Court all disputes submitted by Class Members, the evidence submitted, and the resolution of those disputes. The Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the initial decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled. The Court shall have the right to review any decision made by the Settlement Administrator regarding a claim dispute and will make the final determination.

Twenty-five percent (25%) of your Individual Settlement Payment will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Payment only and reported on an IRS Form W-2. The remaining seventy-five percent (75%) of your Individual Settlement Payment will be treated as penalties, statutory non-wage damages and interest and will be paid pursuant to an IRS Form 1099.

Defendant is expected to fund the Gross Settlement Amount within fourteen (14) days after the Effective Final Settlement Date. Your Individual Settlement Share will be distributed within approximately fourteen (14) days of the funding of the entire Gross Settlement Amount.

It is strongly recommended that upon receipt of your Individual Settlement Payment check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share to the California State Controller's Unclaimed Property Division in accordance with California Unclaimed Property Law.

11. What is the PAGA Payment and Am I Eligible for it?

Under the terms of the settlement, \$50,000 has been set aside as a PAGA payment. This portion is the total amount of civil penalties collected on behalf of the State of California. \$37,500 will be sent to the State of California. Aggrieved employees will share \$12,500 based on the number of weeks they worked.

You are an "aggrieved employee" eligible ("Eligible Aggrieved Employee") to share the PAGA payment under the settlement, if you are a non-exempt hourly-paid employees who worked for Defendant within the State of California from December 11, 2019 through August 26, 2022 ("PAGA Timeframe").

The individual share will be calculated by determining the total number of weeks the Eligible Aggrieved Employees were employed during the PAGA Timeframe (i.e., the sum of all weeks of employment with hours worked for each eligible aggrieved employee), and dividing that number into the \$12,500 amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each week. That number will then be multiplied by the individual Eligible Aggrieved Employee's total number of weeks worked during the PAGA Timeframe to determine that individual's proportional share.

Based on your total number of weeks worked, your individual PAGA settlement payment is <<\$PAGAEstAmount>>. This is based on Defendant's records which show you worked <<PAGAworkweeks>> weeks during the PAGA Timeframe. You are responsible for paying any federal, state or local taxes owed as a result of this payment.

Each Eligible Aggrieved Employees' individual PAGA settlement payment will be considered penalties.

If you believe the number of weeks are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at Jasfer Nepomuceno, et al. v. Portfolio Recovery Associates, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 on or before November 28, 2022. The Court shall have the right to review any decision made by the Settlement Administrator on disputes regarding the amount of a PAGA Payment and will make the final determination.

Because these penalties can only be sought by the State of California, you cannot exclude yourself from the PAGA portion of the settlement if the Court gives final approval, even if you submit an Exclusion Request.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

12. *How Will the Attorneys for the Class and the Class Representatives Be Paid?*

The attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiffs and the Class shall be paid an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (or \$297,500.00) for attorney fees and up to \$25,000 for litigation costs.

Defendant has paid all of its own attorneys' fees and costs.

As set forth in Section No. 10 above, the Plaintiffs will also be paid a Class Representative Enhancement Payment, subject to Court approval.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the "Portfolio Recovery Associates, LLC class action settlement." You may also find more information on <https://www.cptgroupcaseinfo.com/PortfolioRecoverySettlement>.

You may also contact Plaintiffs' counsel by visiting Justice Law Corporation at 751 North Fair Oaks Avenue, Suite 101, Pasadena, California 91103 during regular business hours from 9:00 a.m. to 6:00 p.m. or by calling (818) 230-7502. Plaintiffs' counsel will provide you with an electronic copy of the Settlement documents or case documents free of charge upon request.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.