

CLASS SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims (“Settlement Agreement”) is made and entered into by and between Plaintiff Colby Jones (“Plaintiff” or “Class Representative”), individually and on behalf of the Settlement Class (as defined in Paragraph 6, below), on the one hand, and Defendant eFinancial, LLC (“Defendant”), on the other hand, in *Jones v. eFinancial, LLC*, King County Superior Court, Case No. 22-2-19385-9 SEA (the “Litigation” or “Action”). This Settlement Agreement is subject to the terms and conditions hereof and the approval of the Court. For purposes of this Settlement Agreement, Plaintiff and Defendant are referred to individually as a “Party” and collectively as the “Parties.”

BACKGROUND

1. **Complaint.** On November 22, 2022, Plaintiff filed the Class Action Complaint for Damages, Injunctive Relief, and Declaratory Relief (the “Complaint”) in the Litigation, alleging three causes of action: (1) Violation of RCW 49.62; (2) Injunctive Relief; and (3) Declaratory Relief.¹

2. **Mediation.** On March 1, 2023, the Parties mediated with experienced mediator Carolyn Cairns in order to reach an equitable resolution of this matter. This Settlement Agreement is the result of the Parties’ further arms-length negotiation.

3. **Gross Settlement Amount.** At mediation, and pursuant to all of the terms and conditions set forth hereafter, Defendant agreed to pay a maximum amount of \$615,600 to fully resolve all possible claims of the Settlement Class (as defined in Paragraph 6). The Gross Settlement Amount includes: (a) all payments to the Participating Class Members (capped at \$462,000, which is calculated based on \$4,200 per estimated 110 settlement class members as further described in Paragraphs 6-9); plus (b) all attorneys’ fees and costs (capped at \$138,600 as further described in Paragraph 11); plus (c) the Service Award (capped at \$15,000 as further described in Paragraph 12) (together the “Gross Settlement Amount”). The Gross Settlement Amount does not include the costs of the Settlement Administrator, which will be paid by Defendant separately. These payments shall resolve and release all of the claims as set forth in further detail hereafter in Paragraphs 21, 22, and 23.

4. **Non-Admission of Liability.** Defendant denies any liability or wrongdoing of any kind associated with the claims being released herein. Neither this Settlement Agreement nor any exhibit thereto, nor any other document pertaining to the settlement contemplated herein, may be offered in any other case or proceeding as evidence of any admission by Defendant of any liability on any claims for damages or other relief. Any stipulation or admission by Defendant contained herein is made for settlement purposes only.

¹ On August 8, 2022, Morgan Rosalez filed a class action complaint against Defendant, alleging three causes of action: (1) Violation of RCW 49.62; (2) Injunctive Relief; and (3) Declaratory Relief. On November 21, 2022, Mr. Rosalez moved to voluntarily dismiss his case, which the Court signed on November 22, 2022. The same day as the November 22, 2022, dismissal, counsel for Mr. Rosalez filed similar claims on behalf of a new class representative, Colby Jones.

5. **Fair Resolution.** Nevertheless, in the interest of avoiding the costs and disruption of ongoing litigation and resolving the claims asserted in the Litigation, the Parties believe that the settlement negotiated and set forth in this Settlement Agreement is fair, reasonable, and adequate.

TERMS OF THE SETTLEMENT

6. **Settlement Class.** For purposes of this Settlement Agreement, the “Settlement Class” is defined as follows:

All current and former Washington employees of eFinancial LLC who entered into a noncompetition covenant between January 1, 2020, and the date of final disposition of this matter, and whose annual earnings were less than the threshold amount set by RCW 49.62.020(1)(b), as adjusted annually pursuant to RCW 49.62.040.

Defendant represents that, as of the March 1, 2023, mediation, the Settlement Class consisted of 110 individuals.

7. **Participating Class Members.** Participating Class Members are those Settlement Class members who timely submit valid Claim Forms pursuant to the terms of this Settlement Agreement. For avoidance of doubt, only those who submit valid Claim Forms (in the form attached as Exhibit 1 to this Settlement Agreement) are Participating Class Members who will receive payments pursuant Paragraph 8 of this Settlement.

8. **Payments to Participating Class Members.** In consideration for release of the claims of the Settlement Class against Defendant (as described more fully in Paragraphs 6-9, below), Defendant agrees to pay Participating Class Members on a claims made basis as follows: \$4,200 per Participating Class Member. All Participating Class Members shall receive a payment of \$4,200 even if the number of Participating Class Members exceeds the estimated 110 eligible Settlement Class members.

9. **Claims Process.** Settlement Class members will have 30 calendar days from the date Notice is mailed to: (a) opt out; (b) object; or (c) complete a Claim Form, sign it, and mail it to the Settlement Administrator. Settlement Class members shall sign Claim Forms under penalty of perjury. The Settlement Administrator shall determine the validity of the claim. After determining the validity of all submitted claims, the Settlement Administrator shall calculate the total amount Defendant shall deposit into the Qualified Settlement Fund to cover payment to all Participating Class Members.

10. **Qualified Settlement Fund:** Defendant shall fund the total amount due to Participating Class Members (along with the Court-approved amounts for attorneys’ fees and costs and the Service Award as described in Paragraphs 11 & 12, on or before 10 calendar days after the Effective Date (“Funding Date”).

11. **Attorneys’ Fees and Costs:** “Plaintiff’s Counsel” refers to Plaintiff’s Counsel in this Litigation, Emery Reddy, PLLC. Plaintiff’s Counsel may apply to the Court for, and Defendant will not oppose, an award of attorneys’ fees, costs, and expenses incurred in connection with the prosecution of this matter, and all of the work remaining to be performed by Plaintiff’s

Counsel in documenting the settlement, securing Court approval of the settlement, all further appellate proceedings, carrying out their duties to see that the settlement is fairly administered and implemented, and obtaining dismissal of the action, in a total amount not to exceed \$138,600 for attorneys' fees and costs. Amounts awarded by the Court for attorneys' fees, costs, and expenses shall be paid from the Qualified Settlement Fund. The settlement is not conditioned upon the Court approving the entirety of Plaintiff's Counsels' request for their attorneys' fees and costs. The non-approval by the Court of the requested attorneys' fees and costs shall not be a basis for terminating this Settlement Agreement. The attorneys' fees and costs approved by the Court shall be paid by the Settlement Administrator from the Qualified Settlement Fund within 10 calendar days after the Funding Date.

12. **Service Award:** Subject to approval by the Court, Plaintiff will be eligible to receive a service award of up to \$15,000 in consideration for serving as Class Representative ("Service Award"). The Service Award is in addition to the settlement award to which Plaintiff is entitled along with all other Participating Class Members, and Defendant will not oppose a requested Service Award in an amount not to exceed \$15,000. The settlement is not conditioned upon the Court approving the entirety of Plaintiff's Counsels' request for such Service Award. The non-approval by the Court of the requested Service Award shall not be a basis for terminating this Settlement Agreement. The Service Award approved by the Court shall be paid by the Settlement Administrator from the Qualified Settlement Fund within 10 calendar days after the Funding Date.

13. **Lesser Award:** In the event that a lesser sum is awarded for the attorneys' fees and costs referenced above in Paragraph 11, or for the Service Award referenced above in Paragraph 12, the approval by the Court of any such lesser sum(s) shall not be grounds for Plaintiff's Counsel to terminate the settlement, but such an order shall be appealable by them at Plaintiff's cost. In the event that such an appeal is filed, administration of the settlement shall be stayed pending resolution of the appeal. Thereafter, if after the exhaustion of such appellate review, any additional amounts remain which are distributable to the Participating Class Members, the cost of administration of such additional payments will be paid out of such additional amounts, and will not be chargeable to or payable by Defendant.

14. **Settlement Administrator's Costs and Duties:** All class administration fees for the Settlement Administrator's services will be paid separately by Defendant. Subject to the Court's approval, Defendant will select the Settlement Administrator. The Settlement Administrator shall perform all duties of administration including, without limitation, receiving and updating through normal and customary procedures the Class List to be provided by Defendant, so that it is updated prior to the Notice of Class Action Settlement ("Notice") being mailed, printing and mailing the Court-approved Notice, performing necessary additional skip traces on Notices and/or checks returned as undeliverable, calculating Participating Class Members' payments, preparing and mailing of settlement checks, responding to Settlement Class member inquiries as appropriate, preparing any appropriate or required tax returns and tax forms in connection with the Qualified Settlement Fund and settlement payments, including any withholding, and filing or remitting those returns and forms, along with withheld amounts, if any, to the appropriate governmental agencies, and generally performing all normal and customary duties associated with the administration of such settlements. The Settlement Administrator will coordinate the calculations of the payroll taxes and deductions, if any, with Defendant to ensure that, to the extent such taxes and deductions are or could be deemed to have been made by the

Settlement Administrator on behalf of Defendant by government taxing authorities, they are made in compliance with Defendant's tax withholding and remittance obligations for such payments. The parties stipulate to seeking Court approval of the Notice attached as Exhibit 2 to this Settlement Agreement.

15. **Compilation of Class List:** The Parties agree that within 15 calendar days after preliminary approval of this Settlement Agreement by the Court, Defendant will provide to the Settlement Administrator a final class list ("Class List") of all Settlement Class members, based on Defendant's records. The Class List shall include the full name, last known mailing address, phone number, hire date, and termination date of each Settlement Class member during the Settlement Class Period. The Settlement Administrator will perform normal and customary address updates and verifications as necessary prior to the mailing of the Notice to the Settlement Class and each Settlement Class member. Defendant will provide Plaintiff's Counsel a list of the Settlement Class members' names only, which Plaintiff and Plaintiff's counsel shall keep confidential and use only for this Action. Plaintiff and Plaintiff's counsel shall destroy the list of Settlement Class members names within thirty (30) days of the Effective Date of this Settlement Agreement.

16. **Notice Period:** Within 25 calendar days of its receipt of the Class List, the Settlement Administrator will send the Settlement Class members by first-class mail, at their last known address or such other address as located by the Settlement Administrator, the Court-approved Notice and Claim Form. The parties stipulate to seeking Court approval of the Claim Form attached as Exhibit 1 to this Settlement Agreement and the Notice attached as Exhibit 2 to this Settlement Agreement. Any Notices returned undeliverable shall be traced once to obtain a new address and be re-mailed by First Class U.S. Mail. Settlement Class members shall have 30 calendar days from the date of mailing to submit a valid Claim Form for payment from the Gross Settlement Amount, opt-out of the settlement, or object to the class action settlement, which must be postmarked on or before the 30th calendar day after the Settlement Administrator deposits the notices into USPS mail. ("Notice Period"). To the extent any mailed Notice is returned as undeliverable, such person shall be permitted 30 calendar days from any re-mailing of the Notice to submit a claim, opt-out, or object to the class action settlement ("Re-mailing Notice Period"). The Settlement Administrator will mail checks to Participating Class Members within 10 calendar days after the Funding Date. The named Plaintiff will not be required to submit a Claim to receive a payment from the Qualified Settlement Fund.

17. **Objection and Opt-Out Rights to Settlement for Settlement Class members:** The Notice mailed to all Settlement Class members will advise each Settlement Class member of their right to submit a Claim, object to all or any part of the Settlement Agreement, or opt-out of the settlement. Any Settlement Class member who wishes to object or opt-out shall be advised that they must submit any such objection or exclusion in writing to the Settlement Administrator postmarked no later than 30 calendar days from the date of mailing of the Notice. Any objection must contain the full name and current home (or mailing) address of the objector, and must state the grounds for the objection. If an objector wishes to be heard at the time of the hearing on final approval, they must notify the Court and all counsel in writing no later than 30 calendar days from the date of mailing of the Notice of their intention to appear.

18. **Challenges to Class List:** To be considered timely, any dispute regarding eligibility for the settlement payment must be submitted by the Settlement Class member within 30 calendar days of the mailing of the Notice. In response to any dispute raised by a proposed Settlement Class member about their omission from the Class List, Defendant will first verify the information contained in the proposed Settlement Class member's personnel file and payroll records. Unless the proposed Settlement Class member can establish that he or she should have been included on the Class List based on documentary evidence, Defendant's records will control. Plaintiff's Counsel and Defendant's Counsel will then make a good faith effort to resolve the dispute informally. If counsel for the Parties cannot agree, the dispute shall be resolved by the Settlement Administrator, who shall examine the records provided by the Defendant and the proposed Settlement Class member, and shall be the final arbiter of disputes relating to a proposed Settlement Class member's omission from the Class List. The Settlement Administrator's determination regarding any such dispute shall be final for purposes of administering Notice of the settlement, subject to final review, determination and approval by the Court.

19. **Settlement Awards Not Wages Nor Compensation for Benefits Purposes.** Settlement awards will be allocated as non-wage damages and interest. Participating Class Members agree to indemnify and hold Defendant harmless from any claim for unpaid taxes for the settlement payment from any taxing authority. The settlement payments are not being made for any other purpose and will not be construed as "compensation" for purposes of determining eligibility for any health and welfare benefits, unemployment compensation, or other compensation or benefits provided by Defendant. In addition, no individual receiving a payment based on this settlement shall be entitled to any additional or increased health, welfare, retirement, employer tax contributions, or other benefits as a result of their participation in the settlement.

20. **Rescission of All Non-Competition Obligations, If Any.** Defendant shall rescind any noncompetition covenants between it and the Settlement Class by providing notice of rescission in the Notice, which is attached to this Settlement Agreement as Exhibit 2.

21. **Settlement Class Member Release:** Upon final approval of this Settlement Agreement by the Court, each and every Settlement Class member who does not timely opt-out in accordance with the procedures set forth in Paragraph 17 -- whether or not they are a Participating Class Member -- releases Defendant, Fidelity Life Association, and their predecessors, successors, parents, subsidiaries, insurers, and related or affiliated entities (including, without limitation, their present, former, and future officers, directors, stockholders, managers, agents, employees, attorneys, and representatives) (the "Released Parties") from any and all claims for violations of RCW 49.62, known or unknown, that were or could have been asserted, and/or accrued during or arise out of or relate to their employment with Defendant and or the Released Parties, relating back to the full extent of the federal and state statutes of limitations and continuing through the date of final approval, including, without limitation, all claims for noncompetition covenant violations and related claims for penalties, fines, damages, interest, liquidated damages, exemplary damages, attorneys' fees, costs, and expenses. Defendant represents that, as of the March 1, 2023, mediation, Fidelity Life Association had no Washington employees.

22. **Additional Release by Class Representative:** In addition to the Release set forth in Paragraph 21, Plaintiff, for himself alone, releases the Released Parties from any and all claims, fines, penalties, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'

fees, damages, action or causes of action, contingent or accrued, known or unknown, of any kind or nature, including without limitation arising out of or related to his employment with Defendant or the Released Parties and/or the termination thereof (if any has occurred), which do or may exist as of the date of the execution of this Settlement Agreement and through and including the Effective Date.

23. **Released Claims:** As part of the final approval of the settlement, Plaintiff and Settlement Class members who do not opt out shall be deemed to have waived the right to file, initiate or continue to prosecute any actions, claims, complaints, or proceedings in arbitration or with the Washington State Department of Labor & Industries, or with any other entity, with respect to the claims released as described in Paragraphs 21 and 22 above. This settlement is conditioned upon the release by Settlement Class members and Plaintiff as described in Paragraphs 21 and 22 above, and upon covenants by Plaintiff and all Settlement Class members that they will not and cannot participate in any actions, lawsuits, proceedings, complaints or charges brought individually, or by any other person or entity in any court, arbitration or before any administrative body with respect to the claims released as described in Paragraphs 21 and 22 above, nor will such Settlement Class members or Plaintiff contest or interfere with efforts by Defendant or by any other released parties to oppose any attempt to bring such released claims against any of them. Provided however, nothing in this Paragraph 23 will preclude any Settlement Class members or Plaintiff from communicating with their attorney or law enforcement, or from complying with any lawful request for information or participation in any actions, lawsuits, or proceedings.

24. **Tax Treatment of Settlement Payments:**

- a. Settlement awards will be allocated as non-wage damages and interest.
- b. Each recipient of any monies paid in accordance with this Settlement Agreement is responsible for any taxes associated with the monies received by each recipient.
- c. The Settlement Administrator will prepare a Form 1099 for each Participating Class Member that reflects their non-wage settlement payment. Participating Class Members will be responsible for correctly characterizing the compensation that they receive pursuant to the Form 1099 and for payment of any taxes owing on said amount.
- d. The Parties acknowledge and agree that neither Defendant nor its attorneys have made any representations regarding the tax consequences of the settlement payments made under this Settlement Agreement. Participating Class Members will be required to pay all federal, state or local taxes, if any, which are required by law to be paid with respect to the settlement payments. The Parties further agree that Defendant shall have no legal obligation to pay, on behalf of Participating Class Members, any taxes, deficiencies, levies, assessments, fines, penalties, interest, or costs, which may be required to be paid with respect to the settlement payments.

25. **Tax Treatment of Plaintiff's Service Award:** Plaintiff will receive an IRS Form 1099 for his individual Service Award prepared by the Settlement Administrator, and will be responsible for correctly characterizing this additional compensation for tax purposes and for payment of any taxes owing on said amount.

26. **Effective Date:** This Settlement Agreement shall become effective when the settlement is considered as "Final." For purposes of this Settlement Agreement, "Effective Date" and "Final" mean: (a) in the event that the settlement has received Final Approval by the Court and there were no timely objections filed, or that any timely objections have been withdrawn, then upon the passage of the applicable date for any interested party to seek appellate review of the Court's order of final approval of the settlement without a timely appeal being filed; or, (b) in the event that one or more timely objections has/have been filed and not withdrawn, then upon the passage of the applicable date for an objector to seek appellate review of the Court's order of final approval of the settlement, without a timely appeal having been filed; or, (c) in the event that a timely appeal of the Court's order of final approval has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court's final approval without material modification, and the applicable date for seeking further appellate review has passed without such further review being sought, or if such review is sought, the exhaustion thereof. In the event that the Court fails to approve the settlement, or if the appropriate appellate court fails to approve the settlement or if this Settlement Agreement is otherwise terminated: (a) this Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no party shall be bound by any of the terms of the Settlement Agreement; (b) Defendant shall have no obligation to make any payments to the Settlement or Participating Class Members, Plaintiff, or Plaintiff's Counsel; (c) any preliminary approval order, final approval order or judgment, shall be vacated; and (d) the Settlement Agreement and all negotiations, statements, proceedings and data relating thereto shall be deemed confidential settlement communications and not subject to disclosure for any purpose in any proceeding. Except as described above and/or where a Court order or applicable Court rule provide otherwise, the Effective Date of this Settlement Agreement is 31 calendar days after the Final Approval Order.

27. **Funding of Settlement:** Within 10 calendar days following the occurrence of the Effective Date, Defendant shall transfer the required funds to the Qualified Settlement Fund. No funds will be payable by Defendant prior to that time. Within 10 calendar days of the Funding Date, the Settlement Administrator shall distribute the funds in accordance with the terms of this Settlement Agreement as approved by the Court, including the settlement awards from the Qualified Settlement Fund to all Participating Class Members that have submitted a timely and valid claim, and the Court-approved attorneys' fees, costs, and expenses, and the Plaintiff's Service Award.

28. **Residual Funds:** Any residual funds that remain in the Qualified Settlement Fund after distribution (because, *e.g.*, checks mailed to Participating Class Members remain uncashed after the expiration of 90 calendar days, or an envelope mailed to a Participating Class Member is returned and no forwarding address can be located for the Participating Class Member after reasonable efforts have been made), then fifty percent (50%) of such residual funds shall be disbursed to the Legal Foundation of Washington consistent with CR 23(f) and fifty percent (50%) shall revert to Defendant.

29. **Court Approval:** If the Settlement Agreement becomes void, this Settlement Agreement, as well as all releases signed in connection herewith, shall have no force or effect; all negotiations, statements and proceedings related thereto shall be without prejudice to the rights of any party, all of whom shall be restored to their respective positions in this action prior to the settlement; the Settlement Class created pursuant to this Settlement Agreement shall be of no force or effect; and neither this Settlement Agreement nor any ancillary documents, actions or filings shall be admissible or offered into evidence in this action or any other action or proceeding for any purpose.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

30. The Parties shall promptly seek the Court's approval of this settlement. As soon as practicable after execution of this Settlement Agreement, Plaintiff and Plaintiff's Counsel shall apply to the Court for the entry of a preliminary approval order which would accomplish the following, the applicable deadlines of which, if any, are described in Paragraph 32:

- a. Schedule a final approval hearing on the question of whether the settlement, including the payment of attorneys' fees and costs and the Class Representative's service award should be finally approved as fair, reasonable, and adequate, and finally resolving any outstanding issues or disputes remaining from the administration of the Notice of the settlement;
- b. Approve, as to form and content, the proposed Notice of Class Action Settlement and Claim Form;
- c. Direct the mailing of the Notice of Class Action Settlement by first class mail to the Settlement Class members;
- d. Preliminarily approve the settlement subject to the final review and approval by the Court;
- e. Preliminarily approve the Settlement Administrator selected by the Parties and approve payment of the Settlement Administrator's reasonable fees and costs;
- f. Preliminarily approve Plaintiff's Counsel's requests for attorneys' fees and litigation expenses and costs subject to final review and approval by the Court; and
- g. Preliminarily approve Plaintiff's Counsel's request that the Class Representative receive a Service award in the amount of \$15,000, subject to final review and approval by the Court.

Not later than 10 calendar days before filing the motion for preliminary approval of this Settlement Agreement to the Court, Plaintiff's Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to Defendant's Counsel for their review and comments.

DUTIES OF THE PARTIES FOLLOWING FINAL APPROVAL

31. In conjunction with the request for final approval of the settlement provided for in this Settlement Agreement, Plaintiff’s Counsel will submit a proposed final order and judgment:

- a. Granting final approval of the settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Approving Plaintiff’s Counsel’s application for an award of attorneys’ fees and reimbursement of costs and expenses;
- c. Approving the Service Award to the Class Representative;
- d. Permanently enjoining and restraining Plaintiff and Settlement Class members from initiating or pursuing any claims settled herein and released by this settlement; and
- e. Dismissing this Action on the merits and with prejudice.

Not later than 5 calendar days prior to the submission of the motion(s) seeking the foregoing, Plaintiff’s Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to Defendant’s Counsel for their review and comments.

COMPUTATION OF DEADLINES

32. For purposes of this Settlement Agreement, if the prescribed time period in which to complete any required or permitted action expires on a Saturday, Sunday, or legal holiday (as defined by CR 6(a), such time period shall be continued to the following business day. For illustrative purposes, and recognizing that certain of the deadlines listed herein may be continued due to unforeseen delay of the part of the Parties and/or by order of the Court, the following schedule provides an outline of the deadlines required under this Settlement Agreement:

EVENT	DATE
Execution of the Settlement Agreement	Execution of the Settlement Agreement
Plaintiff’s Counsel to provide draft of Motion for Preliminary Approval of Settlement to Defendant’s Counsel	25 calendar days after execution of the Settlement Agreement
Plaintiff’s Counsel to File Motion for Preliminary Approval of Settlement	No earlier than 35 calendar days after execution of the Settlement Agreement
Preliminary Approval Order	Preliminary Approval Order
Defendant’s Counsel to Provide Settlement Administrator and Plaintiff’s Counsel with Class List and Related Data	15 calendar days after Preliminary Approval Order

Mailing of Notice, start of Notice Period	25 calendar days after Defendant’s Counsel provides the Class List to the Settlement Administrator and class names to Plaintiff’s Counsel (40 calendar days after the Preliminary Approval Order). The Notice Period starts on the date the Settlement Administrator deposits the notices into USPS mail.
End of Notice Period, deadline for Settlement Class members to opt out, object to the settlement, or complete a Claim Form, sign it, and mail it to the Settlement Administrator.	30 calendar days after start of the Notice Period (approx. 70 calendar days after the Preliminary Approval Order)
Settlement Administrator to provide report to Plaintiff’s Counsel and Defendant’s Counsel identifying Participating Class Members, opt outs, and objections	5 calendar days after end of Notice Period (approx. 75 calendar days after the Preliminary Approval Order)
Plaintiff’s Counsel to provide Defendant’s Counsel with draft of Motion for Final Approval of Settlement	5 calendar days prior to the deadline to file the Motion for Final Approval
Plaintiff’s Counsel to file Motion for Final Approval of Settlement	9 Court days prior to the Final Approval Hearing
Final Approval Hearing	Final Approval Hearing (no sooner than 100 calendar days after the Preliminary Approval Order)
Final Approval Order	Final Approval Order
Effective Date	31 calendar days after the Final Approval Order (the “Effective Date”)
Funding Date	10 calendar days after the Effective Date (the “Funding Date”)
Mailing of settlement checks to Participating Class Members, payment of attorneys’ fees & costs, and Service Award	10 calendar days after the Funding Date

Deadline for Plaintiff's Counsel to file Satisfaction of Judgment	30 calendar days after the mailing of settlement checks
Deadline for Participating Class Members to cash settlement checks;	90 calendar days after mailing of settlement checks
50% residual funds disbursed to the Legal Foundation of Washington	120 days after mailing of settlement checks
50% residual funds revert to Defendant	120 days after mailing of settlement checks
Deadline for Defendant to pay settlement administration costs	30 days after residual funds distributed

ADDITIONAL TERMS

33. **Parties' Authority.** The signatories hereto hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

34. **Mutual Full Cooperation.** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to execution of such documents and to take such other actions as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the Court's preliminary approval of this Settlement Agreement. To the extent there is a dispute as to the terms of the Settlement Agreement, the Parties agree that Carolyn Cairns will be the arbiter of any such dispute and her decision will be final and binding on the parties.

35. **No Prior Assignments.** The Parties hereto represent, covenant, and warrant that they are authorized to enter into this Settlement Agreement and each have not delegated its respective authority to enter into the Settlement Agreement by directly or indirectly, assigning, transferring, encumbering, or purporting to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

36. **Construction.** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arms-length negotiations between counsel. The Parties further agree that this Settlement Agreement shall not be construed in favor of, or against, any party by reason of the extent to which any party, or his, hers, or its counsel, participated in the drafting of this Settlement Agreement.

37. **Captions and Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

38. **Modification.** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

39. **Integration Clause.** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

40. **Binding on Assigns.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

41. **Counterparts.** This Settlement Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties.

42. **Governing Law.** The Parties agree that Washington law governs the interpretation and application of this Settlement Agreement.

Dated: May 03 2023

Colby Jones

Plaintiff Colby Jones, individually and on behalf of the Class

Dated: May 2, 2023

DocuSigned by:
John Buchanan
7C8CC6740A824F5...

Defendant eFinancial, LLC

EXHIBIT 1

<ClaimID> <Barcode>
<FirstName> <LastName>
<Address1>
<Address2>
<City> <State> <Zip>

CLAIM FORM

If you wish to be a part of the class action settlement in *Jones v. eFinancial, LLC*, King County Superior Court, Case No. 22-2-19385-9 SEA, and receive a settlement payment, you must provide the information requested below. Please type or print clearly in blue or black ink.

This Claim Form must be submitted via mail and postmarked no later than [REDACTED], 2023.

The Notice you received with this Claim Form describes your legal rights and options. Please visit the official settlement website, [www.\[REDACTED\].com](http://www.[REDACTED].com), or call or email the Settlement Administrator, [Company Name], at [phone number] or [email] for more information. Your individual password is a Claim ID that can be found on this Claim Form.

1. Claim

By signing this form, I attest and certify that each of the below statements are true and accurate:

- I was employed by eFinancial, LLC (“eFinancial”) in Washington between January 1, 2020, and [date of preliminary approval]; and
- During my employment with eFinancial I earned under \$100,000 in 2020, \$101,390 in 2021, \$107,301.04 in 2022, and/or \$116,593.18 in 2023; and
- I entered an agreement with eFinancial after January 1, 2020, containing a noncompetition covenant (an employment agreement, offer letter, or exit letter, for example) that restricted my ability to change employment and/or work for a competitor of eFinancial.

2. Estimated Settlement Payment

If this Claim Form is deemed timely and valid, your settlement payment is \$4,200.

3. Release

I hereby release and discharge eFinancial, Fidelity Life Association, and their predecessors, successors, parents, subsidiaries, insurers, and related or affiliated entities (including, without limitation, their present, former, and future officers, directors, stockholders, managers, agents, employees, attorneys, and representatives) (collectively the “Released Parties”) from any and all claims for violations of RCW 49.62, known or unknown, that were or could have been asserted, and/or accrued during or arise out of or relate to my employment with eFinancial and/or the Released Parties, relating back to the full extent of the federal and state statute of limitations and continuing through the date of final approval, including, without limitation, all claims for noncompetition covenant violations and related

claims for penalties, fines, damages, interest, liquidated damages, exemplary damages, attorneys' fees, costs, and expenses.

I agree to submit to the jurisdiction of the Superior Court of King County in the State of Washington for purposes of this Lawsuit and enforcement of this settlement. I acknowledge that I am bound by and subject to the terms of any judgment that may be entered in this Lawsuit. I agree to supply additional information to support this proof of claim if I am asked to do so.

I have submitted no other claim for violations of RCW 49.62 against eFinancial or the Released Parties.

4. Settlement Class Member Information

I declare under penalty of perjury under the laws of the State of Washington that the information supplied in this Claim Form is true and correct to the best of my knowledge, and that this Claim Form was executed on the date set forth below.

I understand that I may be asked to provide supplemental information by the Settlement Administrator before my claim will be considered complete and valid.

Signature

Print Name

Date Signed

Street Address

City, State, Zip

Telephone No.

Email Address (*optional*)

Last 4 Digits of SSN (*for identification purposes only*)

IF YOU WISH TO BE INCLUDED IN THE SETTLEMENT AND RECEIVE A PAYMENT, YOU MUST SUBMIT THIS CLAIM FORM BY [REDACTED], 2023 TO:

Company Name

Address

Phone: _____

Email: _____

IMPORTANT: CLAIM FORMS POSTMARKED AFTER [REDACTED], 2023 WILL NOT BE VALID AND WILL NOT RESULT IN PAYMENT OF ANY FUNDS TO YOU

EXHIBIT 2

If you entered into a noncompetition covenant with eFinancial, LLC between January 1, 2020 and [date of preliminary approval], you are eligible for a payment from a class action settlement.

A state court authorized this Notice of Class Action Settlement (“Notice”). This is not junk mail, an advertisement, or a solicitation from a lawyer.

- A settlement has been proposed in the class action lawsuit *Jones v. eFinancial, LLC*, King County Superior Court, Case No. 22-2-19385-9 SEA (the “Lawsuit”).
- Your rights and options—and the deadlines to exercise them—are explained in this Notice. For complete details, view the Settlement Agreement, available at www._____.com, or contact the Settlement Administrator, [Company Name], at [phone] or [email]. Your individual password is a Claim ID that can be found on the Claim Form that you received with this Notice.
- Whether or not you respond to this Notice, sign a Claim Form, or otherwise participate in the Lawsuit in any way, as of the date this Notice is mailed, **the noncompetition covenants in your Confidentiality, Non-Competition and Non-Solicitation Agreement with eFinancial, LLC (“Employment Agreement”), including those in paragraph 2 of your Employment Agreement, are no longer in effect and are therefore, rescinded by eFinancial.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
TIMELY SUBMIT A VALID CLAIM FORM	If you timely submit a valid Claim Form, you will receive a payment from the settlement and release your claim against eFinancial and related parties. You will not be allowed to be part of any other lawsuit against eFinancial or related parties for the legal claims resolved by this settlement.
OPT-OUT OF THE SETTLEMENT	If you opt-out, you will not receive a payment from the settlement and will not release any claims against eFinancial for alleged violations of RCW 49.62. This is the only option that allows you to be part of any other lawsuit against eFinancial for the legal claims resolved by this settlement.
OBJECT TO THE SETTLEMENT	You may write to the Court with reasons why you do not agree with the settlement. Note: if you opt out, you will not be able to object to the settlement.
ATTEND THE FINAL APPROVAL HEARING	You may ask the Court for permission for you or your attorney to speak about your objection at the Final Approval Hearing.

DO NOTHING

If you do nothing, you will not receive a payment from the settlement, but will still release all claims against eFinancial and related parties. If you do nothing, you will not be allowed to be part of any other lawsuit against eFinancial or related parties for the legal claims resolved by this settlement.

- The Court still has to decide whether to grant final approval of the settlement. Payments will only be made after the Court grants final approval of the settlement and after any appeals are resolved.

BASIC INFORMATION

1. Why did I receive this Notice?

The Court directed that this Notice be provided because you have a right to know about a proposed settlement that has been reached in this class action lawsuit and about all of your options before the Court decides whether to grant final approval of the settlement. If the Court approves the settlement, and after objections or appeals, if any, are resolved, the Settlement Administrator approved by the Court will distribute the payments that the settlement allows. This Notice explains the lawsuit, the settlement, your legal rights, what payments are available, who is eligible for them, and how to receive them.

The Court in charge of this case is the Superior Court of the State of Washington, County of King. The case is *Jones v. eFinancial, LLC*. The person who filed the Lawsuit, Colby Jones, is the Plaintiff and the entity he sued, eFinancial, LLC, is the Defendant.

2. What is this lawsuit about?

Plaintiff claims that eFinancial violated Washington's law regarding noncompetition covenants, RCW 49.62, by entering into noncompetition covenants with employees who earned less than \$100,000 per year (as adjusted annually in accordance with RCW 49.62.040) from January 1, 2020 through final disposition of this Lawsuit. The Lawsuit seeks, among other things, damages for the alleged violation.

eFinancial has denied and continues to deny all of the claims and allegations made in the Lawsuit, as well as all charges of wrongdoing or liability against it.

3. What is a class action settlement?

In a class action, the Plaintiff (also called Class Representative) sues on behalf of people who have similar claims. Together, all these people are called a Class or the Class members. One court and one judge resolves the issues for all Class members who do not opt out of the settlement. In this case, the Court has entered a preliminary approval of the settlement which certifies the Class for settlement purposes only.

The Plaintiff negotiated a settlement that allows the Plaintiff, the Class members, and eFinancial to avoid the risks and costs of lengthy and uncertain litigation and the uncertainty of a trial and appeals. It also allows Class members to obtain payment without further delay. The Plaintiff and his attorneys believe the settlement is in the best interest of all Class members. The Court did not decide in favor of the Plaintiff or eFinancial, and this settlement does not mean that eFinancial did anything wrong.

4. How much is the settlement?

Subject to Court approval, eFinancial agreed to pay a maximum amount of \$615,600 to settle the Lawsuit ("Gross Settlement Amount"). The Gross Settlement Amount will cover settlement payments to the participating Class members, a Service Award to the Class Representative, and Class Counsel's attorneys' fees and costs. The Gross Settlement Amount does not include the Settlement Administrator's costs and fees, which will be paid separately by eFinancial. Class members have until [30 days after start of Notice Period] to: (a) opt out; (b) object; or (c) complete a Claim Form, sign it, and mail it to the Settlement Administrator. The Claim Form must be postmarked on or before [30 days after start of Notice Period]. The Settlement Administrator will determine the validity of the claim. After determining the validity of all submitted claims, the Settlement Administrator will calculate the total amount that eFinancial must deposit into a "Qualified Settlement Fund" to cover payment to all participating Class members, a Service Award to the Class Representative, and Class Counsel's attorneys' fees and costs. If you submit a timely, valid Claim Form, your payment will come from the Qualified Settlement Fund. If residual funds remain in the Qualified Settlement Fund after distribution (because, e.g., checks mailed to participating Class members

remain uncashed), then fifty percent (50%) of such residual funds will be dispersed to the Legal Foundation of Washington, and fifty percent (50%) will be dispersed to eFinancial.

WHO IS INCLUDED IN THE SETTLEMENT?

5. How do I know if I am eligible to be part of the settlement?

You are eligible to be part of this settlement as a Settlement Class member if, at any time since January 1, 2020, you were employed by eFinancial in Washington, you earned under \$100,000 in 2020, \$101,390 in 2021, \$107,301.04 in 2022, and/or \$116,593.18 in 2023, and you entered into a noncompetition covenant with eFinancial after January 1, 2020.

HOW TO RECEIVE A PAYMENT

6. How do I receive a payment from the settlement?

To receive a settlement payment, you must complete and submit the attached Claim Form. Read the instructions carefully, fill out the Claim Form, and submit it by mail postmarked no later than [30 days after start of Notice Period] to:

Company Name
Address
Phone:
Email:

If your phone number or address changes, you must provide the updated information to the Settlement Administrator as soon as possible to ensure you receive your payment.

7. How much will my settlement payment be?

Each Settlement Class member who submits a timely, valid Claim Form will receive a settlement payment of \$4,200. Payments will be characterized as non-wage compensation (1099).

8. When will I receive my payment?

The Court will hold a Final Approval Hearing at __: __ a.m./p.m. on _____, **2023** to decide whether to approve the settlement. If the Court approves the settlement, there may be appeals. It is always uncertain how appeals will affect a case, and resolving them can take time, perhaps more than a year. It also takes time for the payments to be processed. Please be patient.

9. What am I giving up as part of the settlement?

If the Court approves the settlement, you will give up your right to sue eFinancial, Fidelity Life Association, and their predecessors, successors, parents, subsidiaries, insurers, and related or affiliated entities (including, without limitation, their present, former, and future officers, directors, stockholders, managers, agents, employees, attorneys, and representatives) (collectively the “Released Parties”) for the claims being resolved by this settlement, which are: any and all claims for violations of RCW 49.62, known or unknown, that were or could have been asserted, and/or accrued during or arise out of or relate to your employment with eFinancial and/or the Released Parties, relating back to the full extent of the federal and state statute of limitations and continuing through the date of final approval, including, without limitation, all state

claims for noncompetition covenant violations and related claims for penalties, fines, damages, interest, liquidated damages, exemplary damages, attorneys' fees, costs, and expenses.

The specific claims you are releasing are described in Paragraph 21 of the Settlement Agreement. You will be "releasing" eFinancial and all related people or entities as described in Paragraph 21 of the Settlement Agreement. The Settlement Agreement is available at www._____.com. Your individual password is a Claim ID that can be found on the Claim Form that you received with this Notice.

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions about what this means you can contact the Settlement Administrator or you can, of course, talk to your own lawyer at your own expense.

OPTING-OUT OF THE SETTLEMENT

If you want to keep the right to bring a lawsuit against eFinancial for the claims resolved in this settlement, you must affirmatively opt-out of the settlement.

10. What happens if I opt-out of the settlement?

If you submit a timely, valid request to opt-out of the settlement, you will not be entitled to any benefits of the settlement and will not receive a settlement payment. You will not be bound by any judgment in this case and will not give up any right to bring a lawsuit against eFinancial for the claims resolved in this settlement. You may start your own lawsuit or be part of any different lawsuit relating to the claims in this case.

11. How do I opt-out of the settlement?

To Opt-Out, you must send the Settlement Administrator a written notice stating that you opt-out of the settlement, postmarked no later than [30 days after start of Notice Period].

Your Opt-Out Notice must include:

- 1) A statement that you wish to be excluded from the settlement (for example, "I request to be excluded from the class action settlement in *Jones v. eFinancial*.");
- 2) Your full name;
- 3) Your address; and
- 4) Your signature or the signature of your attorney or other duly authorized representative (along with documentation illustrating representation), and the date signed.

OBJECTING TO THE SETTLEMENT

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

12. How do I tell the Court that I do not like the settlement?

If you are a Settlement Class member and do not opt-out of the settlement, you can object to the settlement if you do not like it or a portion of it. You can give reasons why you think the Court should not approve the settlement. The Court will consider your views before making a decision. To object, you must file with the Court and mail copies to Class Counsel and eFinancial's Counsel a written notice stating that you object to the settlement in *Jones v. eFinancial, LLC*, Case No. 22-2-19385-9 SEA.

Your objection must include:

- 1) Your full name, address, telephone number, and e-mail address;

- 2) Information or proof showing you are a Settlement Class member;
- 3) The reasons why you object to the settlement, including any documents supporting your objection;
- 4) The name and address of your attorney, if you have retained one;
- 5) The name and address of any attorneys representing you that may appear at the Final Approval Hearing;
- 6) A statement confirming whether you and/or your counsel intend to personally appear at the Final Approval Hearing;
- 7) A list, by case name, court, and docket number, of all other cases in which you (directly or through a lawyer) have filed an objection to any proposed class action settlement within the last three years;
- 8) A list, by case name, court, and docket number, of all other cases in which your lawyer (on behalf of any person or entity) has filed an objection to any proposed class action settlement within the last three years; and
- 9) Your signature or the signature of your attorney or other duly authorized representative (along with documentation illustrating representation).

Your objection must be filed with the Clerk of the Superior Court of the State of Washington, County of King, 516 Third Avenue, Room E-609, Seattle, WA 98104 no later than [30 days after start of Notice Period]. You must also mail copies of your objection to Class Counsel and eFinancial's Counsel postmarked no later than [30 days after start of Notice Period], at all of the addresses below.

CLASS COUNSEL	EFINANCIAL'S COUNSEL
Timothy W. Emery Patrick B. Reddy Paul Cipriani EMERY REDDY, PLLC 600 Stewart Street, Suite 1100 Seattle, WA 98101 Phone: (206) 442-9106	Chelsea Dwyer Petersen Kyle D. Nelson PERKINS COIE LLP 1201 Third Avenue, Suite 4900 Seattle, WA 98101 Phone: (206) 359-8000

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may ask the Court for permission for you or your attorney to speak about your objection at the Final Approval Hearing.

13. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing at __:__ a.m./p.m. on _____, **2023**, in the Superior Court of the State of Washington, County of King, 516 Third Avenue, Room ____, Seattle, WA 98104. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will take into consideration any properly-filed written objections and may also listen to people who have asked to speak at the hearing (*see* Question 12). The Court will also decide whether to approve attorneys' fees and costs to Class Counsel and the service award to the Class Representative.

14. Do I have to attend the Final Approval Hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you file an objection, you do not have to come to Court to talk about it. You may also hire your own lawyer to attend, at your own expense, but you are not required to do so.

15. May I speak at the Final Approval Hearing?

Yes, you may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must follow the instructions provided in Question 12 above.

DOING NOTHING

16. What happens if I do nothing?

If you do nothing, you will not receive a payment from the settlement, but will still release all claims against eFinancial and the Released Parties for the claims being resolved by this settlement, which are: any and all claims for violations of RCW 49.62, known or unknown, that were or could have been asserted, and/or accrued during or arise out of or relate to your employment with eFinancial and/or the Released Parties, relating back to the full extent of the federal and state statute of limitations and continuing through the date of final approval, including, without limitation, all claims for noncompetition covenant violations and related claims for penalties, fines, damages, interest, liquidated damages, exemplary damages, attorneys' fees, costs, and expenses.

The specific claims you are releasing are described in Paragraph 21 of the Settlement Agreement. You will be "releasing" eFinancial and all related people or entities as described in Paragraph 21 of the Settlement Agreement. The Settlement Agreement is available at www._____.com. Your individual password is a Claim ID that can be found on the Claim Form that you received with this Notice.

If you do nothing you will not be allowed to be part of any other lawsuit against eFinancial or related parties for the legal claims resolved by this settlement

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

Yes. The Court appointed Timothy W. Emery, Patrick B. Reddy, and Paul Cipriani of Emery Reddy, PLLC, 600 Stewart Street, Suite 1100, Seattle, WA 98101 to represent you and other Settlement Class members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. If you have any questions about this settlement or the Lawsuit, you should direct your questions to the Settlement Administrator.

18. How will Class Counsel and the Class Representative be paid?

If the settlement is approved and becomes final, Class Counsel will ask the Court to award attorneys' fees, costs, and expenses up to \$138,600. Class Counsel will also request approval of a service award for the Class Representative in the amount of \$15,000. If approved, these amounts will be paid out of the Qualified Settlement Fund.

GETTING MORE INFORMATION

19. How do I get more information about the settlement?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement, which is available at www._____.com. Your individual password is a Claim ID that can be found on the Claim Form that you received with this Notice. You can also get more information by calling, emailing, or writing the Settlement Administrator:

Company Name
Address
Phone:
Email:

***Please do not call the Court or the Clerk of the Court for additional information.
They cannot answer any questions regarding the settlement or the Lawsuit.***