

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF ORANGE

_____)	Case No.:	02CC15415
LARRY EVANS and WESLEY)		
HAIRSTON, on behalf of themselves)		
and all others similarly situated, and on)		
behalf of the general public,)		
)		
)	Judge:	Hon. David C. Velasquez
Plaintiffs,)	Dept:	CX 101
vs.)		
)		
WASHINGTON MUTUAL BANK, a)		
Washington corporation and)		
WASHINGTON MUTUAL BANK, FA,)		
and DOES 1 through 100, inclusive,)		
)		
)		
Defendants.)		
_____)		

NOTICE OF CLASS ACTION SETTLEMENT

If you were employed by Washington Mutual Bank, formerly known as Washington Mutual Bank, FA ("Washington Mutual Bank"), in California at any time from October 3, 1998 through December 31, 2006, in any one or more of the following positions: Account Manager, Loan Consultant, Wholesale Account Manager, Retail Loan Consultant, Associate Loan Consultant, or Senior Account Manager, you may be entitled to money from a class action settlement.

To participate in the Settlement, you must mail the enclosed Claim Form postmarked by September 2, 2008 to receive your share of the 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 whether you act or don't act.*

PLEASE READ THIS NOTICE CAREFULLY

If you have any questions please call the Claims Administrator at (866) 306-9918.

1. What Is the Purpose of this Notice?

The purpose of this notice is to let you know that there is a class action lawsuit settlement pending in the Orange County Superior Court in Evans, et al. v. Washington Mutual Bank, Case No. 02CC15415 in the Superior Court for the State of California, County of Orange ("the Lawsuit") and you may be a member of the Settlement Class. The Lawsuit was filed by Plaintiffs Larry Evans and Wesley Hairston on behalf of themselves and on behalf of all others similarly situated. The Lawsuit alleged that your employer, Washington Mutual Bank, in California, unlawfully failed to fully reimburse business expenses and made unlawful commission wage deductions of employees working in the following positions between October 3, 1998 and December 31, 2006: Account Manager, Loan Consultant, Wholesale Account Manager, Retail Loan Consultant, Associate Loan Consultant or Senior Account Manager. The Honorable David C. Velasquez, of the Superior Court of California, County of Orange, certified this class.

This Lawsuit was mediated on December 4 and 5, 2007, before a respected and experienced wage and hour mediator. After two full days of discussions and negotiations facilitated by the mediator, the parties settled the Lawsuit. On May 15, 2008 at 1:30 p.m. in Department CX 101 of the Orange County Superior Court, the Court held a hearing in which it approved the parties' motion for a Court order that does the following:

- 1) grants preliminary Court approval of the proposed Settlement;
- 2) grants Court approval of this notice, which includes setting a schedule and procedure for filing claim forms and exclusion notices; and
- 3) schedules a Final Fairness Determination Hearing for final Court approval of the Settlement for September 25, 2008, at 1:30 p.m. in Dept. CX 101 of the Orange County Superior Court.

2. Why Do Plaintiffs Seek Settlement Approval?

Plaintiffs seek approval of the Settlement because they have reached a proposed Settlement that they believe to be fair, reasonable and adequate and in the best interests of all parties.

3. What Is Washington Mutual Bank's Position on the Settlement?

Washington Mutual Bank views this Settlement as a compromise and denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit, and further contends that, for any purpose other than settlement, this Lawsuit is not appropriate for class treatment. Washington Mutual Bank contends, among other things, that it has complied at all times with all applicable laws, including the California Labor Code and Business and Professions Code. Washington Mutual Bank denies the allegations in the case and reserves the right to contest all claims and allegations if the Settlement fails for any reason.

4. Why Did I Get this Notice?

You received this notice because Washington Mutual Bank's records show that you were employed in California as an Account Manager, Loan Consultant, Wholesale Account Manager, Retail Loan Consultant, Associate Loan Consultant or Senior Account Manager at some point between October 3, 1998 and December 31, 2006.

You may submit a Claim Form to get money from this Settlement if you worked for Washington Mutual Bank in California in one of these positions at any time during this period.

5. Who Are the Parties in this Class Action?

Plaintiff Larry Evans worked for Defendant Washington Mutual Bank in California during the Class Period as an Account Manager, and Plaintiff Wesley Hairston worked for Defendant Washington Mutual Bank in California during the Class Period as a Loan Consultant.

Defendant Washington Mutual Bank (formerly known as Washington Mutual Bank, FA) is the Named Defendant.

6. Who Are the Attorneys Representing the Parties?

Attorneys for the Plaintiffs

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7. What Is the Proposed Settlement?

Washington Mutual Bank has agreed to pay a Maximum Settlement Amount of up to \$32,500,000.00. This sum of money will cover payments to Class Members, to Class Counsel for their fees and costs, claims administration costs, and extra payments to the Class Representatives, Larry Evans and Wesley Hairston, for initiation of the Lawsuit, prosecution, and risks undertaken for costs and attorneys' fees in the event they had been unsuccessful.

The following is a summary of the Settlement provisions. The specific and complete terms of the

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proposed Settlement are stated in the Stipulation and Settlement Agreement, a copy of which is filed with the Clerk of the Court.

Settlement Payment. Washington Mutual Bank has agreed to pay all valid and timely claims in accordance with the terms of the Settlement Agreement. The Settlement Payments will be paid after final Court approval of the Settlement and after all rights to appeal or review are exhausted or any appeal or review has been resolved in favor of the Settlement.

From a "Net Settlement Amount" which is the Maximum Settlement Amount of up to \$32,500,000.00 less (i) Class Counsel's fees and expenses, (ii) the Class Representatives' and former Class Representative's payments, and (iii) internal and external claims administration fees and costs, Washington Mutual Bank will make a Settlement Payment to each member of the Class who is eligible to participate in the Settlement and who timely submits an approved claim based on the number of weeks the Class Member worked from October 3, 1998 through December 31, 2006 and the number of weeks the Class Member had a Sales Assistant assigned from October 3, 1998 through April 30, 2004. The Class Period is defined as the period from October 3, 1998 through December 31, 2006. The Settlement Payments will be reduced by applicable tax deductions and withholdings.

Attorney's Fees and Costs, Settlement Administration Costs, and Class Representative Enhancements. In addition to their shares as Class Members, Class Representatives Larry Evans and Wesley Hairston will be paid \$35,000.00, each, for their services as Class Representatives, as well as their willingness to accept the risks and costs in the event of an unsuccessful outcome. These payments will be deducted from the Maximum Settlement Amount. Class Counsel will seek approval from the Court for payment of attorneys' fees in the amount of 27.5 percent of the Maximum Settlement Amount, which is estimated to be equal to \$8,937,500.00, and costs in the maximum amount of \$500,000.00. Class Counsel believe the amount for costs and attorneys' fees requested is fair and reasonable, and Washington Mutual Bank will not oppose their request for that amount. The costs of administering the Settlement (estimated at \$100,000.00) will be deducted from the Maximum Settlement Amount.

8. What Are My Rights with Regard to this Matter?

A. To Submit A Claim: To get money from the Settlement, the Claim Form enclosed with this Notice must be completed in full and you must **sign it** under penalty of perjury and return it to the Claims Administrator, c/o Rust Consulting, Inc., P. O. Box 1457, Minneapolis, Minnesota 55440-1457, **postmarked no later than September 2, 2008**. The Claims Administrator will process the Claim Forms and will send checks to eligible claimants at a later date. **If you fail to timely return a completed and signed Claim Form along with the required proof of identification, you will not receive any money from the Settlement and you will not be permitted to assert any claims based on the allegations in the class action, and you will be bound by the terms of the Release provisions of the Settlement Agreement.**

If you do not agree with the information inserted in Paragraph No. 8 of the enclosed Claim Form, you must complete Paragraph No. 10 of the enclosed Claim Form, sign and date the Claim Form and return it with documentation which supports your claim that the information is erroneous. The enclosed Claim Form and any supporting documentation must be sent to the Claims Administrator **postmarked no later than September 2, 2008**. Upon receipt of a disputed claim, the Claims Administrator or the Court will resolve any dispute based on Washington Mutual's records and any information you provide.

B. To Request Exclusion (“Opt Out”) of the Settlement: If you do not wish to participate in or be bound by the Settlement, you must submit the enclosed Exclusion Form stating that you want to opt out of this Settlement to the Evans v. Washington Mutual Bank Claims Administrator, c/o Rust Consulting, Inc. P.O. Box 1457, Minneapolis, Minnesota 55440-1457. You must return the Exclusion Form to the Claims Administrator, signed, dated, and with your Social Security number, **postmarked no later than August 1, 2008.**

If you request exclusion, you will neither receive money from the Settlement, nor will you be considered to have released your claims. If you opt out of the Class Settlement, you may not pursue recovery at all under the Class Settlement. You may, however, pursue other remedies separate and apart from the Class Settlement that may be available to you.

Do NOT return both a Claim Form and a Request for Exclusion. Should you do so, your Request for Exclusion will be invalidated and you will be bound by the terms of the Settlement and paid according to Washington Mutual Bank’s records.

C. To Object to the Settlement: If you wish to object to the Settlement, you must file and serve any such objection **by August 1, 2008.** To be considered by the Court, objections must be timely filed in the Orange County Superior Court, Department CX 101, 751 West Santa Ana Blvd., Santa Ana, California 92701 and timely served on Class Counsel and the attorneys for the Defendant. If you intend to object to the Settlement but wish to receive your share of the Settlement proceeds, you must timely return your Claim Form as indicated herein. If the Court approves the Settlement despite any objections and you have not returned your Claim Form, you will NOT receive your share of the Settlement proceeds.

The judgment will bind all Class Members who do not request exclusion from the Settlement. Any Member who does not request exclusion may, if the Member so desires, enter an appearance through his or her own lawyer.

9. Effect of the Settlement - Released Rights and Claims.

If the proposed Settlement is approved by the Court, a Judgment will be entered by the Court that will dismiss with prejudice the class action complaint regarding alleged failure to fully reimburse business expenses and alleged unlawful wage deductions, and any claims related to or arising out of these claims, including record keeping and itemized wage statement violations and waiting time penalties, and unfair competition claims against Washington Mutual Bank and each of their present and former parent companies, subsidiary companies, related or affiliated companies, shareholders, partners, owners, officers, directors, employees, agents, attorneys, insurers, successors and assigns, or any individual or entity that could be held jointly liable with them ("Released Parties"). The Judgment will finally and fully resolve the claims asserted in the complaint, and will permanently bar all Class Members from prosecuting claims for alleged failure to fully reimburse expenses and alleged unlawful wage deductions claims against the Released Parties.

Upon the final approval by the Court of the Settlement, each Class Member who has not opted out of this class action will also be deemed to have fully released Washington Mutual Bank and the other Released Parties for alleged failure to fully reimburse expenses, alleged unlawful wage deductions claims, and other wage and hour claims arising out of their employment during the period October 3, 1998 through December 31, 2006 ("Release Period"), as expressly set forth in the Settlement Agreement and Claim Form.

This is only a summary of the Settlement. A complete copy of the Settlement Agreement and related papers are on file with the above-referenced Superior Court, Department CX 101, 751 West Santa Ana Blvd., Santa Ana, California and may be reviewed during normal business hours. Do not call the Court for information.

If the Settlement is approved and you have done nothing, you will not receive any of the Settlement compensation, and you will be forever barred from asserting those claims as alleged in the complaint.

If the Settlement is not approved by the Court, or does not become final for some reason, the Lawsuit will continue.

10. Important Information and Notes.

- A. You will only receive your share of the Settlement if you submit a signed and dated Claim Form which is **postmarked no later than September 2, 2008**. Please keep proof of mailing for your records.
- B. It is your responsibility to ensure that the Claims Administrator has timely received your Claim Form. You may contact the Claims Administrator at (866) 306-9918 to confirm it has been timely received.
- C. It is also your responsibility to keep a current address on file with the Claims Administrator to ensure that you receive your Settlement Payment should the Court order final approval of the Settlement.
- D. It is unlawful for Washington Mutual Bank to retaliate against you for submitting a claim.

11. What if I Need More Information?

If you have questions, you may call the attorneys for the Class Representative and the Class Counsel at (619) 595-3001 and ask about the *Evans v. Washington Mutual Bank* Class Settlement; you may also contact the Claims Administrator at (866) 306-9918.

PLEASE DO NOT CALL THE COURT OR WASHINGTON MUTUAL BANK'S CORPORATE OFFICE, SUPERVISORS, MANAGERS, OR ITS ATTORNEYS.