

**IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT
IN AND FOR CALHOUN COUNTY, ALABAMA
CIVIL DIVISION**

DRAKE MORGAN, on behalf of himself
and on behalf of all others similarly situated,

Plaintiff,

v.

Case No. : 11-CV-2021-900430.00

PREFERRED PRECISION GROUP, LLC

Defendant.

CLASS SETTLEMENT AGREEMENT AND RELEASE (“Agreement”)

Plaintiff, Drake Morgan, his heirs, executors, administrators, successors, and assigns (“Plaintiff”), on behalf of himself and on behalf of all others similarly situated, and Defendant, Preferred Precision Group, LLC, and its affiliates, parents, predecessors, successors, assigns, subsidiaries, insurers, and their past, present and future directors, officers, shareholders, members, employees, agents, and attorneys both individually and in their capacities as directors, officers, shareholders, members, employees, agents, insurers, and attorneys, (“Defendant” or “PPG”) together, the (“Parties”) enter into this Agreement, which is intended by the Parties to fully, finally, and forever resolve, discharge, and settle all released rights and claims to the extent set forth below, subject to the terms and conditions set forth herein.

1. **Recitals.** This Agreement is made with reference to the following facts:
 - a. On April 5, 2021, Plaintiff brought an action in the United States District Court, Northern District of Alabama, Eastern Division, Case No.: 1:21-cv-00484-ACA, against Preferred Precision Group, LLC concerning their application and background screening process rendered by a third party. Plaintiff voluntarily dismissed the federal court action so the parties could discuss a resolution without the incurrance of unnecessary fees and costs that would have been generated in the federal litigation. Plaintiff has refiled his claims (the “Action”) in the Circuit Court of Calhoun County, Alabama, (the “Court”), solely for the purposes of seeking approval of the Parties’ class settlement. In the Action, Plaintiff alleges that Preferred Precision Group, LLC willfully failed to comply with the authorization requirements in 15 U.S.C. § 1681b(b)(2)(A)(ii) prior to obtaining a consumer report about him for employment purposes in violation of the Fair Credit Reporting Act (“FCRA”). Plaintiff seeks certification of the putative class, statutory damages, punitive damages, and attorneys’ fees and costs pursuant to the FCRA.

- b. Preferred Precision Group, LLC denies each and every allegation against it and neither the making of this Agreement nor anything contained herein shall, in any way, be construed or considered to be an admission by Preferred Precision Group of guilt, or of noncompliance with, or violation of, any federal, state, or local statute or law, public policy, tort law, contract law, common law, or of any other wrongdoing, unlawful conduct, liability or breach of any duty whatsoever, including but not limited to the FCRA.
- c. The Parties have exchanged informal discovery related to the issues in the Action, have exchanged their respective positions with respect to the merits of the Action, and have engaged in extensive informal settlement discussions.
- d. There has been no determination on the merits of the Action, including but not limited to whether this Action should properly proceed on a class basis, but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve any and all claims, known and unknown, asserted and unasserted, which Plaintiff has or may have against the Released Parties (as defined in Section 12 below) as of the date of execution of this Agreement.

2. **Definitions.** The defined terms set forth in this Agreement have the meanings ascribed to them below:

- a. Class Members or Settlement Class- All employees and job applicants in the United States subject of a consumer report procured by PPG for employment purposes but from whom PPG did not first obtain written authorization to procure their report in the two years preceding the filing of this action through the date of final judgment.
- b. Class- All Class Members who do not timely exclude themselves from or object to this settlement.
- c. Plaintiff's Counsel- Marc Edelman, Morgan & Morgan, P.A.

3. **Consideration.** In consideration for signing this Agreement, and complying with its terms, including, but not limited to Plaintiff and Plaintiff's Counsel providing W-9 forms to PPG, PPG agrees to pay Fifty Thousand Dollars and Zero Cents (\$50,000.00) ("Settlement Fund") into a common fund from which the following shall be disbursed:

- a. Payments of \$50.00 to Class Members who timely submit claims form;
- b. The costs of providing notice and administering Settlement;

- c. General Release Compensation to Plaintiff in the amount of Three Thousand Dollars (\$3,500.00);
- d. Attorney's Fees not to exceed One Third of the Common Fund;
- e. Reimbursement of Class Counsel's expenses incurred in the litigation.

The sums detailed above are in full and final settlement and resolution of any and all claims that Plaintiff and Class Members had, have, or may have against PPG arising out of or in any way connected with their application for employment or background screening with PPG as of the date of the execution of this Agreement. Each Party shall bear their own fees and costs, except as provided for herein.

4. **Administration of Settlement.** The Parties have jointly agreed upon American Legal Claim Services to administer the settlement ("Settlement Administrator"). Any costs associated with the Settlement Administrator shall come from the Settlement Fund. Any additional costs shall be borne by PPG. Plaintiff's Counsel shall be entitled to all information provided by PPG to the Settlement Administrator.

5. **Allocation of Settlement Fund.** Within fourteen (14) business days after the settlement is approved by the Court, the Settlement Administrator shall issue the notice. A copy of the proposed notice the Parties will submit to the Court is attached as Exhibit "1".

Non-participating Class Members who opt out or exclude themselves from this Agreement, as specified below, will not be entitled to any monies from the Settlement Fund. All Class Members who do not opt out or exclude themselves from this Agreement will be entitled to the amount indicated in Section 3(d) above.

All Settlement Funds not claimed by Class Members shall remain the property of PPG. The cashing of any check within 90 days or fewer after the date on the check, as more fully explained below, shall constitute a valid claim for purposes of this paragraph.

6. **Duties of the Parties.** Within ten (10) business days after execution of this Agreement, the Parties shall apply to the Court for entry of an Order:

- a. Certifying the class solely for the purposes of the notice and claims process;
- b. Certifying Plaintiff as Class Representative for purposes of settlement only;
- c. Appointing Plaintiff's Counsel as counsel;
- d. Approving the form and content of the proposed notice attached as Exhibit "1"; and

- e. Directing the mailing of the notice by the Settlement Administrator, by first class mail, to the Class Members.

7. **Duties of the Parties Following Order.** A notice, substantially in the form attached as Exhibit “1”, and approved by the Court, including any modifications made at the direction of the Court (“Notice”) shall be sent by the Settlement Administrator to the Class Members by first-class mail to their last known addresses within fourteen (14) business days after entry of the order approving the Settlement. Any Notice returned as undeliverable shall be sent to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall perform a standard electronic search, including, but not limited to, reviewing the National Change of Address Registry in an attempt to determine the most current mailing address and shall resend the Notice to that address. The Settlement Administrator is only required to attempt to locate a current mailing address and resend the Notice once for each Class Member. The Parties agree that the deadlines contained herein shall not be extended for Class Members whose Notices were returned as undeliverable and re-mailed pursuant to this paragraph. No Class Member shall be subject to any coercion or retaliation of any kind based on their decision to participate or not to participate in or claim funds provided by this Agreement.

Class Members will have 60 days from the date of first mailing of the Notice (“Notice and Response Period”) to exclude themselves or object to the settlement. Anyone who wishes to be excluded from this settlement must request to be excluded in writing prior to conclusion of the Notice and Response Period. If they affirmatively request to be excluded in a timely manner, their claims will be dismissed without prejudice, and their allocation from the Settlement Fund shall be deemed unclaimed (“Unclaimed Funds”) and remain the property of PPG.

Any Class Member who receives the Notice, other than Plaintiff, may object to this settlement, provided that such objections are made in writing and served on Plaintiff’s Counsel, who shall provide a copy to PPG’s counsel within two (2) business days after receipt. In order for his or her objection to be considered, the Class Member must serve a timely objection, stating his or her name and address, the title of this Action, a description of his or her objections, the reasons for the objections, and his or her signature. Any individual who fails to comply with this requirement will be deemed to have waived any right to object and any objection to this settlement.

None of the Parties, their counsel, or any person on their behalf, shall seek to solicit or otherwise encourage anyone to object to this settlement, to request exclusion, or to appeal from any order of the Court that is consistent with the terms of this settlement. Upon receipt, counsel for the Parties shall promptly exchange with one another copies of all objections, exclusions and/or challenges to the Settlement or any part thereof.

Class Members who fail to timely exclude themselves and fail to object to this settlement shall be bound by the class release and the dismissal with prejudice and shall be entitled to a distribution of the Settlement Fund as explained in this Agreement.

8. **Stipulation of Dismissal With Prejudice.** The Settlement Administrator shall file a declaration outlining the completion of the notice distribution plan outlined above. The Parties shall also file with the stipulation the names of: (1) Class Members who requested to be excluded from the settlement; (2) Class Members who submitted objections; and (3) Class Members who did not seek to be excluded or object to the settlement and hence are part of the class. .

The Parties shall apply to the Court for an Order that accomplishes the following:

- a. Excludes those Class Members who properly and timely requested exclusion as provided; and
- b. Dismisses this Action with prejudice and permanently bars all Class Members who did not properly exclude themselves from this settlement from prosecuting any claims released by the terms of this Agreement.

9. **Settlement Payments.** Within 7 days after the Court enters an Order dismissing this Action with prejudice, the Settlement Administrator will distribute all settlement payments and attorneys' fees and costs as outlined in Section 3 minus the distributions to Class Members who timely excluded themselves or objected to this settlement. Checks shall include a written release confirming the release provided herein by Class Members, which shall state "I agree to all terms of the settlement agreement in *Morgan v. Preferred Precision Group, LLC* and release all claims alleged therein against *Preferred Precision Group, LLC* only.

Class Members shall have 90 days after the date on the check to cash their settlement checks. If any Class Members do not cash their checks within 90 days after the date on the check and their check is not returned, their checks will be voided and a stop-payment will be placed. Any funds from checks that are not cashed will remain the property of PPG as provided herein. In such event, those Class Members will be deemed to have waived irrevocably any right in or claim to a share of the Settlement Fund, but this Agreement and release contained herein will nevertheless be binding upon them.

Ninety days from the date on the checks, the following funds will remain/become the property of PPG: (i) monies to Class Members who fail to cash their checks within 90 days from the date which appears on the check; and (ii) all Settlement Funds to Class Members who timely excluded themselves or objected to this settlement.

10. **Tax Responsibility.** Plaintiff and Class Members agree the settlement payments are not wages and therefore W-2s shall not be issued. Class Members agree that they will be exclusively responsible for the payment of any taxes owed on any amounts paid to them under the terms of this Agreement. PPG makes no representation as to the taxability of the amounts paid to Plaintiff, Class Members, or their counsel. Plaintiff and Class Members agree to pay their portion of federal, state or local taxes, if any, which are required to be paid with respect to this Agreement. Moreover, Plaintiff and Class Members agree to indemnify PPG and hold it harmless from any interest, taxes, or penalties assessed against it by any governmental agency as the result of the non-payment of taxes on any amounts paid to them or their counsel under this Agreement.

11. **No Consideration Absent Execution of this Agreement.** Plaintiff understands and agrees that Plaintiff and Class Members would not receive the monies and/or benefits specified in Section 3 above, except for his execution of this Agreement and the fulfillment of the promises contained herein.

12. **Release by Class Members.** Upon dismissal of the Action with prejudice, the Class Members who did not timely exclude themselves or object to this settlement will release and fully discharge (i) PPG; (ii) any current or former subsidiary, parent company, affiliated entity, or related entity; (iii) any attorneys both individually and in their business capacities; and (iv) any current or former manager or supervisor of Plaintiff and Class Members with responsibility as to the background screening process while employed with PPG, which is the subject of this litigation (collectively “Releasees”) from any and all claims, liabilities, attorneys’ fees and costs, damages, action or causes of action under the FCRA and any similar state laws that were or could have been asserted for failing to abide by the requirements of 15 USC § 1681b(b)(2)(A)(ii). The Class Members acknowledge, agree and understand that they are estopped from bringing any subsequent action or suit against Releasees on any and all such claims or later contending they are entitled to any such damages. The Parties agree Day Star Staffing and PeopleG2 are not “Releasees.” By entering into this Agreement, Plaintiff and the Class Members are neither waiving any rights or claims they may have against Day Star Staffing or PeopleG2 nor releasing Day Star Staffing or PeopleG2 from any claims or liabilities with respect to the furnishing, procurement or use of consumer reports for employment purposes. This Release shall be construed narrowly and is not intended to limit the rights of Plaintiff or the Class Members from pursuing claims against any third parties not expressly identified as a “Releasee.”

13. **General Release by Plaintiff.** Plaintiff knowingly and voluntarily releases and forever discharges Releasees, of and from any and all claims, known and unknown, asserted or unasserted, which Plaintiff has or may have against Releasees as of the date of execution of this Agreement.

- a. **Claims Not Released.** Plaintiff is not waiving any rights he may have to: (a) pursue claims which by law cannot be waived by signing this Agreement; (b) enforce this Agreement; and/or (c) challenge the validity of this Agreement.

- b. **Governmental Agencies.** Nothing in this Agreement prohibits or prevents Plaintiff from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency (e.g., DOL, EEOC, NLRB, SEC, etc.), nor does anything in this Agreement preclude, prohibit, or otherwise limit, in any way, Plaintiff's rights and abilities to contact, communicate with, report matters to, or otherwise participate in any investigation. However, to the maximum extent permitted by law, Plaintiff agrees that if such an administrative claim is made, Plaintiff shall not be entitled to recover any individual monetary relief or other individual remedies.

14. **Acknowledgments and Affirmations.**

Plaintiff affirms that he has not filed, caused to be filed, and presently is not a party to any claim against PPG except the Action which will be dismissed pursuant to the terms of this Agreement, and the action he previously filed and dismissed in the United States District Court, Northern District of Alabama, Eastern Division, Case No.: 1:21-cv-00484-ACA.

Plaintiff shall not defame, disparage, or impugn Releasees or any of their employees or agents at any time to any person or entity. Plaintiff acknowledges and agrees that any violation of this paragraph by them or any of their representatives.

15. **Waiver of Future Employment.** Plaintiff expressly waives a claim of right to employment, and/or re-entry with Releasees, and Plaintiff agrees that he will not in the future seek employment or independent contractor status with Releasees. The Parties agree that the Parties have irreconcilable differences.

Plaintiff acknowledges he is ineligible for any position with Releasees because of, among other things, irreconcilable differences with Releasees, and he is not qualified to hold any position with them now or in the future and, therefore, shall not apply in the future for employment as an independent contractor, subcontractor, consultant, vendor or otherwise with Releasees. If Plaintiff breaches this provision and applies for employment with Releasees, his employment application will be rejected. If Plaintiff is employed or engaged in any capacity by Releasees, he may be immediately terminated. Plaintiff shall have no cause of action against Releasees as a result of any such rejection or termination. Any delay or failure to terminate, if Plaintiff is hired, shall not be deemed a waiver of this provision.

16. **Mutual Full Cooperation.** The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to, execution of such documents and taking such other action as may be reasonably necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as

practicable after execution of this Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of PPG and its counsel, take all necessary steps to ensure final dismissal of the Action with prejudice.

17. **Jurisdiction.** This Agreement shall be governed and conformed in accordance with the laws of the State of Alabama without regard to its conflict of laws provision. In the event of a breach of any provision of this Agreement, either party may institute an action with this Court specifically to enforce any term or terms of this Agreement and/or to seek any damages for breach. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

18. **Nonadmission of Wrongdoing.** The Parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Releasees of wrongdoing or evidence of any liability or unlawful conduct of any kind. The Parties also agree that nothing about this Agreement shall be offered or construed as an admission or evidence of the propriety or feasibility of certifying a class in this Action or any other action for adversarial, rather than settlement, purposes. While PPG has agreed that class certification is appropriate for settlement purposes, this stipulation is solely for purposes of settlement and PPG maintains that class certification would be inappropriate if the Parties were to continue litigating this Action.

19. **Counterparts.** This Agreement may be executed in one or more counterparts by facsimile or email. All executed copies of this Agreement and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

20. **Amendment.** This Agreement may not be modified, altered or changed except in writing and signed by the Parties wherein specific reference is made to this Agreement.

21. **Entire Agreement.** This Agreement sets forth the entire agreement between the Parties hereto, and fully supersedes any prior agreements or understandings between the Parties. Plaintiff acknowledges that Plaintiff has not relied on any representations, promises, or agreements of any kind made to Plaintiff in connection with his decision to accept this Agreement, except for those set forth in this Agreement.

THE SIGNATORIES HAVE CAREFULLY READ THIS ENTIRE CLASS SETTLEMENT AGREEMENT AND GENERAL RELEASE, THE PARTIES HAVE BEEN REPRESENTED BY COUNSEL THROUGHOUT THE NEGOTIATION OF THIS AGREEMENT, AND HAVE CONSULTED WITH THEIR ATTORNEYS BEFORE SIGNING THIS AGREEMENT. THE PARTIES FULLY UNDERSTAND THE FINAL AND BINDING EFFECT OF THIS AGREEMENT. THE ONLY PROMISES OR REPRESENTATIONS MADE TO ANY SIGNATORY ABOUT THIS AGREEMENT ARE CONTAINED IN THIS AGREEMENT.

HAVING ELECTED TO EXECUTE THIS CLASS SETTLEMENT AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SETTLEMENT SUMS AND BENEFITS SET FORTH IN SECTION 3 ABOVE, PLAINTIFF FREELY AND KNOWINGLY AND AFTER DUE CONSIDERATION, ENTERS INTO THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS HE HAS OR MIGHT HAVE AGAINST RELEASEES. THE PARTIES ARE SIGNING THIS AGREEMENT VOLUNTARILY AND KNOWINGLY.

Dated:

DRAKE MORGAN

Sign: _____

Print: _____

Dated:

PREFERRED PRECISION GROUP, LLC

Sign: _____

Print: _____

Title: _____