

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE, CIVIL COMPLEX CENTER**

LARRY EVANS, WESLEY HAIRSTON,)	CASE NO. 02CC15415
on behalf of themselves and all others similarly situated,)	
)	Assigned for all purposes to:
Plaintiffs,)	The Hon. David C. Velasquez
)	Dept.: CX104
v.)	CLASS ACTION
)	
WASHINGTON MUTUAL BANK,)	
a Washington Corporation;)	
WASHINGTON MUTUAL BANK, F.A.,)	
a Washington Corporation, and DOES 1-100, inclusive,)	
)	
Defendants.)	

NOTICE OF CLASS ACTION

TO: ALL PERSONS WHO ARE EMPLOYED OR WHO HAVE BEEN EMPLOYED BY DEFENDANTS WASHINGTON MUTUAL BANK AND/OR WASHINGTON MUTUAL BANK, F.A., IN THE STATE OF CALIFORNIA WHO HAVE WORKED UNDER JOB TITLES INCLUDING BUT NOT LIMITED TO “ACCOUNT MANAGER,” “LOAN CONSULTANT,” “WHOLESALE ACCOUNT MANAGER,” “RETAIL ACCOUNT MANAGER,” “RETAIL LOAN CONSULTANT,” “SENIOR ACCOUNT MANAGER” AND/OR EQUIVALENT POSITIONS FROM OCTOBER 3, 1998 UP TO AND INCLUDING THE TIME OF TRIAL FOR THIS MATTER.

THIS NOTICE MAY AFFECT YOUR RIGHTS - PLEASE READ IT CAREFULLY

1. WHY SHOULD I READ THIS NOTICE?

The purpose of this Notice is to inform you that your rights may be affected by the proceedings in a class action lawsuit pending before the Hon. David C. Velasquez of the Orange County Superior Court, in the State of California (“the Court”). This Notice is given by Order of the Court.

This case was originally filed on October 3, 2002. On March 8, 2004, the Court certified this matter as a class action. In certifying this action as a class action, the Court has not expressed any opinion as to whether the claims are true.

2. WHAT IS THE LITIGATION ABOUT?

A lawsuit has been filed against the above defendants (herein referred to simply as “Washington Mutual”) on behalf of former and current employees (Account Managers, Loan Consultants, Wholesale Account Managers, Retail Account Managers, retail Loan Consultants, Senior Account Managers, and equivalent positions) who have worked in California.

Plaintiffs make the following claims in the Class Action Complaint on behalf of the class:

- a. Plaintiffs claim that Washington Mutual unlawfully failed to reimburse class members for expenses (including mileage, cellular telephone usage, advertising and client/prospective client meals and entertainment) incurred by them in discharging their job duties;
- b. Plaintiffs claim that Washington Mutual unlawfully treated portions of commission earnings of class members as reimbursement of expenses (including mileage, cellular telephone usage, advertising and client/prospective client meals and entertainment) incurred by them in discharging their job duties;

- c. Plaintiffs claim that Washington Mutual unlawfully deducted portions of commissions earned by class members to pay the salaries and benefits of other employees (including sales assistants and sales associates); and,
- d. Plaintiffs claim that Washington Mutual unlawfully failed to itemize in writing and timely pay wages deducted from class members' earnings reflecting deductions of portions of commission earnings used to pay the salaries and benefits of other employees (including sales assistants and sales associates).

Washington Mutual responds to plaintiffs' claims as follows:

- a. Washington Mutual denies the claims alleged in the Class Action Complaint and maintains that its actions were at all times proper and legal.
- b. Washington Mutual maintains that each class member was properly reimbursed for reasonable and necessary business expenses by payment of a per unit amount for each loan funded. Washington Mutual further maintains that the per unit amount was intended to reimburse class members' expenses and was sufficient to cover, and often times exceeded, those expenses.
- c. Washington Mutual maintains that class members may participate in a voluntary program to hire a sales assistant or sales associate. Washington Mutual maintains that it provides up to \$2500 a month toward the salaries and bonuses of these sales assistants and sales associates. It further maintains that in some instances, where salaries and bonuses of sales assistants and sales associates exceeded \$2500 per month, excess amounts were deducted from class members' per unit amounts. Washington Mutual contends that this practice complies with California law.
- d. Washington Mutual maintains that it provided class members a bi-weekly Incentive Plan Statement that itemized all deductions made for the bonus of his or her sales assistant or sales associate.

3. WHAT IS A CLASS ACTION?

A class action is a type of lawsuit in which one or a few named plaintiffs bring suit on behalf of all the members of a similarly situated group to recover damages for all members of the group, without the necessity of each member filing an individual lawsuit or appearing as an individual plaintiff. Class actions are used by courts where the claims appear to raise issues of law or fact that are common to all members of the class, thereby making it fair to bind all class members to the orders and the judgment in the case, without the necessity of filing multiple lawsuits, and assures that all class members are bound by the results of a single lawsuit.

4. WHAT RECOVERY DOES THE ACTION SEEK?

Recovery will depend upon plaintiffs successfully proving both an entitlement to reimbursement of expenses and reimbursement of monies deducted from their commissions to pay the salaries and benefits of other employees (including sales assistants and sales associates). If successful, plaintiffs will seek to recover all past due compensation for class members together with interest from October 3, 1998, to the time of trial.

5. HOW WILL THE CASE BE LITIGATED?

No trial date has been set. First the Court must rule on whether the alleged practices of Washington Mutual violated the California Labor Code. If the Court finds that the practices of Washington Mutual violated the California Labor Code, then determination must be made as to the amount of unreimbursed expenses for each class member.

6. WHAT ARE YOUR RIGHTS IN REGARD TO THIS MATTER?

If you wish to remain a member of this class you need to do nothing at this time. You will receive further notices as the case progresses.

However, you have the right to exclude yourself from this class. If you exclude yourself, you will retain the right to pursue your own claims with counsel of your choosing. You will not prejudice any rights or claims you may have by excluding

yourself from this action. If you wish to be excluded from the class, you must request to be excluded from the Class by sending your request to plaintiff's counsel and a copy to Washington Mutual's counsel, at the addresses listed below. If you so desire, the Court will exclude you from the class if your request is postmarked by July 6, 2004.

Plaintiff's Counsel

Laws Offices of Michael J. Procopio
2677 N. Main Street, Suite 860
Santa Ana, CA 92705
and
Cohelan & Khoury
605 "C" Street, Suite 200
San Diego, CA 92101

Washington Mutual Counsel

Shon Morgan
Quinn, Emanuel, Urquhart, et al.
865 South Figueroa Street, 10th Floor
Los Angeles, California 90017-2543

If you exclude yourself, you will not be subject to any judgment or settlement obtained by the class. If you do not choose to exclude yourself from the class, any judgment rendered, whether favorable or not, will be binding upon you. If you do not choose to exclude yourself from the class, you may, if you so desire, enter an appearance through counsel of your choice.

7. WHO REPRESENTS THE CLASS?

Larry Evans and Wesley Hairston have been approved by the Court to act as the class representatives. They are current or former employees of Washington Mutual who have been employed in California as loan consultants or account managers.

The following attorneys are representing the class:

Law Offices of Michael J. Procopio

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8. WHAT FEES AND COSTS ARE INVOLVED?

Class Counsel are representing the class on a contingency fee basis. Class members may participate in any ultimate judgment or settlement without incurring any out-of-pocket fees or costs. Class Counsel shall make a request to the Court for attorneys' fees and costs, to be paid from any judgment or settlement funds. All applications for attorneys' fees and expenses are subject to Court approval. In class actions, counsel who generate a monetary recovery for the benefit of a class are entitled to an award of reasonable attorneys' fees and costs.

9. WHAT DO I NEED TO DO NOW?

If you wish to remain a member of the class, you need do nothing at this time. However, you may contact Plaintiff's counsel regarding this case. If you prefer to be excluded from the class, please follow the instruction set forth in paragraph 6 of this notice.

PLEASE DO NOT ADDRESS ANY QUESTIONS TO THE COURT.

Dated: April 23, 2004

/s/
Hon. David C. Velasquez

IMPORTANT LEGAL NOTICE

Evans, et al. v. Washington Mutual Bank, et al.
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