

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
AND FINAL APPROVAL HEARING

A court authorized this notice. This is not a solicitation.

This is not a lawsuit against you and you are not being sued.

However, your legal rights are affected by whether you act or don't act.

TO: All California-based employees employed by Defendant Ameritech Financial (“Defendant” or “Ameritech”) in the State of California between January 1, 2017 to June 20, 2017 (“Class Members”) who left employment prior to the expiration of their 90-day probationary period.

Based on information in Ameritech’s records, you may be a Class Member whose legal rights will be affected by this Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT.

PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

1. Why Have I Received This Notice?.....	Page 2
2. What Is This Case About?	Page 2
3. Am I a Class Member?	Page 2
4. How Does This Class Action Settlement Work?.....	Page 3
5. Who Are the Attorneys Representing the Parties?	Page 3
6. What Are My Options?.....	Page 3
7. How Do I Opt Out or Exclude Myself From This Settlement?.....	Page 4
8. How Do I Object to the Settlement?	Page 4
9. How Does This Settlement Affect My Rights?	Page 5
10. How Much Can I Expect to Receive From This Settlement?.....	Page 5
11. How Will the Attorneys for the Settlement Class and the Class Representative Be Paid?	Page 6

1. Why Have I Received This Notice?

Ameritech's records indicate that you may be a Class Member. The settlement will resolve all Class Members' claims described below during the Class Period, which covers January 1, 2017 to June 20, 2017 for California-based employees ("Class Members").

A Preliminary Approval Hearing was held on June 20, 2018, in the Sonoma Superior Court, California. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

This Notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement ("Stipulation of Settlement and Release" or "Settlement Agreement") available at the website related to this case, located at www.atfclassaction.com (the "Website"), by contacting class counsel for Plaintiffs, whose contact information is located below at paragraph 5, by accessing the Court docket in this case by visiting the office of the Clerk of the Court for Sonoma Superior Court, located at 600 Administration Drive, Room 107J, Santa Rosa, CA 95403. Any terms used in this Notice will have the same meaning as set forth in the Stipulation of Settlement and Release.

The Court will hold a Final Approval Hearing to determine whether the proposed Settlement is fair, reasonable and adequate at a date and time to be scheduled by the Court. The date and time will be published on the Website. If you wish to be heard at the Final Approval Hearing, you must submit a timely and valid objection to the settlement as set forth in Section 8 below or appear at the hearing to state your objection.

This date may change without further notice to the Class Members. You are advised to confirm the hearing date remains as scheduled, by checking the Website, located at www.atfclassaction.com, or the Court's website at www.sonoma.courts.ca.gov, by clicking on "Sonoma County Case Portal" then "Smart Search," then entering case number SCV-261327 under "Search Criteria".

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.

2. What Is This Case About?

This case involves claims against Defendant for alleged violations of wage and hour laws brought by Named Plaintiff Jamie Waterman, on behalf of himself and all other Class Members. On September 22, 2017, Named Plaintiff filed a lawsuit against Ameritech in the Superior Court for the State of California, County of Sonoma, Case Number SCV-261327 and on April 16, 2018, Named Plaintiff filed a First Amended Complaint ("Action"). Named Plaintiff alleged that Defendant failed to pay all vested Paid Time Off (PTO) wages, failed to provide accurate wage statements, failed to pay wages upon termination of employment, violated the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200, *et seq.*) and violated the Private Attorneys General Act ("PAGA") (Cal. Lab. Code § 2698 *et seq.*).

Ameritech denies all allegations made by Named Plaintiff, individually and on behalf of Class Members, in the Action and denies liability for any wrongdoing with respect to the alleged facts or causes of action asserted in the Action.

3. Am I A Class Member?

You may be a Class Member if you were a California-based employee who was employed by Ameritech in California between January 1, 2017 and June 20, 2017 and you left employment before your 90-day probationary period expired. There are an estimated sixty-four (64) Class Members.

4. How Does This Class Action Settlement Work?

In this Action, Named Plaintiff sued on behalf of himself and other employees of Ameritech who worked during the Class Period. Named Plaintiff and these others similarly situated comprise a “Class” and are “Class Members.” As discussed in Section 9 below, the settlement of this Action resolves the claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

The Court did not decide in favor of Plaintiff or Ameritech. Instead, both sides agreed to resolve the Action with no decision or admission of who is right or wrong. By agreeing to resolve the Action, all parties avoid the risks and cost of a trial. The Settlement is the result of good faith negotiations between Named Plaintiff and Ameritech, through their respective attorneys, and with the assistance of an experienced mediator. Named Plaintiff and the attorneys believe the settlement is fair and reasonable.

Ameritech expressly denies the allegations of wrongdoing and violations of law alleged by Named Plaintiff and the Class and further denies any liability whatsoever to Named Plaintiff or to the Class. Ameritech is settling the lawsuit as a compromise of these claims.

The Court file has the settlement documents which explain the settlement in greater detail. The Court must review the terms of the settlement and determine if it is fair and reasonable to the Class Members.

5. Who Are the Attorneys Representing the Parties?

<u>Attorneys for Plaintiffs:</u> HUMPHREY & RIST, LLP Christina A. Humphrey Thomas Rist 4612 Park Boulevard San Diego, CA 92116 Telephone: (619) 488-6400 christina@humphreyrist.com tom@humphreyrist.com	<u>Attorneys for Defendant Ameritech:</u> SPAULDING MCCULLOUGH & TANSIL LLP Lisa Ann Hilario 90 South E Street, Suite 200 Santa Rosa, CA 95404 Telephone: (707) 524-1900 hilario@smlaw.com
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The Court has decided that Humphrey & Rist, LLP is qualified to represent you and all other Class Members simultaneously.

You do not need to hire your own attorney because Plaintiffs’ Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own expense.

6. What Are My Options?

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

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

- **DO NOTHING:** To receive a Settlement Award check, you do not have to do anything. If you do not expressly request to be excluded, i.e. “Opt Out,” from the settlement, you will be a Settlement Class Member and will receive your share of the settlement monies. The amount you receive (“Settlement Award”) will be based upon your actual accrued Paid Time Off balance at the time your employment ended and the total number of pay periods you worked for by Ameritech. By not requesting to exclude yourself from the settlement, in addition to being able to receive your share of the settlement monies, you will release the Released Claims against the Released Parties as set forth in Section 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “Opt Out,” which will remove you from the Class and this Action. If the Court grants final approval of the Settlement, you will not receive a Settlement Award and you will not give up the right to sue Defendant for the Released Claims.
- **OBJECT:** If you are a Settlement Class Member (meaning you did not Opt Out of the Settlement), you can ask the Court to deny approval by filing an objection. You can’t ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the Action will continue. If that is what you want to happen, you must object. If you would like to object, you must not opt out of this case.

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

7. *How Do I Opt Out or Exclude Myself From This Settlement?*

If you do not want to take part in the settlement, you must sign and mail a written Request for Exclusion to the Settlement Administrator within 30 days from the date of the mailing of this notice. The written request must: (a) state the name of the Action, (b) state your name (and former names, if any), address, telephone number, and the last four (4) digits of your Social Security Number; (c) state that “I wish to be excluded from the Settlement of this case, *Jamie Waterman v. Ameritech Financial, et. al.*, Case No. SCV-261327. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement and I may bring a separate action. I understand that in any separate action, I may receive nothing or may receive less than I would have received if I had not asked to be excluded from the Settlement. I understand that I should consult with an attorney, at my own expense, regarding the applicable statute of limitations.”; (d) be addressed to the Settlement Administrator at PO Box 2031; Tustin, CA 92781; (e) be signed by you; and (f) be postmarked no later than August 25, 2018.

If you submit a valid and timely request to opt out of the Settlement in compliance with the procedure above, you will no longer be a member of the Class, and you will not receive a Settlement Award. By opting out of the Class, you will retain whatever rights or claims you may have against Ameritech for the Released Claims as defined in Section No. 9 below and any monies to which you would have been entitled under the Settlement will be distributed to the rest of the participating Class Members proportionately.

The Final Judgment entered following final approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the class action settlement.

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

If you are a Settlement Class Member (meaning you did not opt out of the Settlement), you may object to the Settlement in writing. If you object to the Settlement according to the procedure below, you may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your attorney, you are

responsible for paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number, (b) be mailed to the Settlement Administrator at PO Box 2031; Tustin, CA 92781, and (c) be postmarked on or before August 25, 2018.

In addition, your objection should (a) state your full name, address, and telephone number; (b) include the words “Notice of Objection” or “Formal Objection”; (c) describe the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the fairness hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the hearing. It should also be signed by you and clearly state the basis for your objection.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator, and postmarked on or before August 25, 2018. Late objections will not be considered.

If the Court rejects the objection, you will automatically receive a Settlement Award and will be bound by the terms of the Settlement.

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

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not request to be excluded from the Settlement will be bound by the Court’s Final Judgment and will release Ameritech and its past and present shareholders, officers, directors, managers, supervisors, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be jointly liable with Defendant (the “Released Parties”), from the Released Claims. These Released Claims are as follows:

A. Released Claims.

“Released Claims” means all claims stated in the First Amended Complaint and those based on the facts alleged in the First Amended Complaint that accrued during the Class Period. These claims include 1) Defendant’s alleged failure to pay all vested PTO wages violation of Cal. Labor Code §§201-203 and § 227.3; 2) Defendant’s alleged failure to provide accurate itemized wage statements in violation of Cal. Labor Code §226(a) and IWC Wage Order No. 4, §7; 3) Defendant’s alleged failure to pay compensation at time of termination in violation of Cal Lab. Code §§ 201-203; 4) Defendant’s alleged unlawful, unfair and deceptive business practices in violation of the Cal. Bus. & Prof. Code § 17200 et seq. (“Section 17200”); 5) any and all penalties pursuant to PAGA; and 6) any penalties, liquidated damages, interest, attorneys’ fees, or litigation costs derived from the above alleged claims. Notwithstanding the above, the release excludes any claims not specifically alleged in the First Amended Complaint.

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

Ameritech will pay, subject to Court approval, a Gross Settlement Amount of \$155,000 to cover: (1) the Settlement Award to all Settlement Class Members; (2) the Service Award to Named Plaintiff Jamie Waterman in an amount up to \$5,000.00 for prosecution of the Action, risks undertaken for the payment of attorneys’ fees and costs, and a general release of all claims; (3) the Settlement Administration Costs to the Settlement Administrator, ILYM Group, in an amount up to \$5,000.00; (4) Attorneys’ Fees of \$62,000 and costs of \$5,000 for Plaintiff’s attorneys’ fees, costs and expenses; (6) an allocation to the Labor Workforce and Development Agency (“LWDA”) of \$1,500 for resolution of Plaintiff’s claim for penalties under PAGA, \$1,125 of which will be paid to the LWDA.

After deducting items 2-6 above, the remaining sum, estimated at \$76,875, (“Net Settlement Fund”), shall be distributed to all Settlement Class Members in the following manner:

The actual PTO balance outstanding for each Class Member plus interest at 10%. Once this amount is subtracted from the net settlement proceeds, the remainder will be divided between Class Members and paid based upon the total number of pay periods each Class Member worked for Defendant.

The actual PTO balance paid to each Class Member will be subject to all applicable wage laws, including federal, state, and local tax withholding and payroll taxes for which IRS Forms W-2 will issue. The remaining amount paid to each Class Member, including unpaid interest and penalties, will be reported on IRS Forms 1099 MISC.

The number of pay periods you worked as an employee of Ameritech during the Class Period and the estimated aggregate amount you may expect to receive are shown in the enclosed Class Member Information Sheet.

It is strongly recommended that, upon receipt of your Settlement Award check, you immediately cash it or cash it before the 180-day void date shown on each check. All uncashed checks will be remitted to the Department of Industrial Relations where you can claim your money if the check remains uncashed.

If you believe the number of weeks you worked as an employee during the Class Period is wrong, you must submit an explanation in writing describing why you believe the information is wrong, along with any supporting information and/or documentation. Your challenge, together with any supporting documentation, must be signed by you and delivered to the Settlement Administrator postmarked on or before August 25, 2018. Late information will not be considered.

11. *How Will the Attorneys for the Settlement Class and the Named Plaintiff Be Paid?*

The attorneys for the Named Plaintiff and the Settlement Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed \$62,000.00 in attorney fees and \$5,000 for litigation costs and expenses.

The Named Plaintiff, Jamie Waterman, will also be paid, subject to Court approval, an amount not to exceed \$5,000.00, as a Service Award for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a general release of all claims. The Service Award is in addition to any Settlement Award he will receive.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact any of the attorneys listed above, or the Settlement Administrator at the telephone number below, toll free. Please refer to the Waterman v. Ameritech Financial Class Action Settlement. For more information, you can visit the website, located at www.atfclassaction.com. This website contains links to important documents in this case, including this Notice, the Settlement Agreement, and any motions for Preliminary Approval and attorneys’ fees filed in this Action.

This Notice does not contain all of the terms of the proposed settlement or all of the details of these proceedings. For more detailed information, you may refer to the documents posted on the website or the underlying documents and papers on file with the Court at Sonoma County Superior Court, located at 600 Administration Drive, Room 107J, Santa Rosa, CA 95403.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.