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12 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**
13 **COUNTY OF SONOMA**

15 JAMIE WATERMAN, on behalf of
himself and all others similarly situated,

16 Plaintiffs,

17 vs.

18
19 AMERITECH FINANCIAL, a California
Corporation; and DOES 1 through 10,
20 inclusive,

21
22 Defendants.

CASE NO. SCV-261327

**STIPULATION OF SETTLEMENT AND
RELEASE**

Honorable Allan D. Hardcastle

Complaint Filed: September 22, 2017
Trial Date: Not set

1 This Stipulation of Settlement and Release (“Agreement”) is entered into by and between
2 plaintiff Jamie Waterman (“Named Plaintiff”), individually and on behalf of the Putative Class
3 Members defined below (collectively with Named Plaintiff, “Plaintiffs” or “Class Members”), and
4 defendant Ameritech Financial (“Defendant”), subject to the approval of the Court. Named Plaintiff
5 and Defendant collectively are referred to herein as the “Parties.”

6 **1. RECITALS**

7 1.1 On September 22, 2017, Named Plaintiff filed a putative class action complaint
8 against Defendant in the Sonoma County Superior Court, State of California, entitled *Jamie*
9 *Waterman v. Ameritech Financial*, Case No. SCV-261327 (the “Action”), alleging that Defendant
10 failed to pay all vested vacation wages¹, failed to provide accurate wage statements, failed to pay
11 wages upon termination of employment, and further alleged violations of the California Unfair
12 Competition Law.

13 1.2 On September 22, 2017, the Named Plaintiff sent a letter to the California Labor &
14 Workforce Development Agency (“LWDA”) informing it that he intended to pursue penalties
15 pursuant to the Private Attorneys General Act (“PAGA”) for the same violations alleged in the
16 Complaint filed in this Action.

17 1.3 More than sixty-five days passed following the date Plaintiff sent his correspondence
18 to the LWDA, and the LWDA never responded to Plaintiff’s correspondence. As a result, on April
19 16, 2018, Plaintiff filed a First Amended Complaint (“FAC”) and alleged violations of the Private
20 Attorneys General Act. The FAC is also referred to herein as the “Operative Complaint.”

21 1.4 The Defendant will be filing an Answer to the First Amended Complaint (“Answer”),
22 denying the allegations set forth in the FAC and alleging a number of affirmative defenses.

23 1.5 Class Counsel has conducted a thorough investigation of the facts in the Action and
24 has diligently pursued an investigation of Class Members’ claims against Defendant. Plaintiff and
25 Defendant have engaged in substantial investigation in connection with the Action, including the

26 _____
27 ¹ Through informal discovery, Plaintiff learned that Defendant provided paid time off to employees rather than paid
28 vacation. This correction was made in Plaintiff’s First Amended Complaint.

1 informal exchange of a large volume of information regarding the claims asserted in the Action and
2 other relevant issues. Defendant produced, and Class Counsel reviewed, relevant policies, payroll
3 information for the Named Plaintiff and Class Members, wage statements, and other documents
4 related to the Class Members' time with Defendant. Class Counsel also investigated documents and
5 other forensic evidence relating to Defendant's financial condition.

6 1.6 On March 27, 2018, the Parties held a mediation with mediator Robert Murray, at the
7 conclusion of which the Parties agreed to resolve all of the allegations raised in the complaint
8 referenced in Paragraph 1.1 above, including the Operative Complaint.

9 1.7 The Parties have entered into this Settlement solely in order to reduce the risks and
10 costs of further litigation, and to avoid further business distractions.

11 1.8 Defendant denies any liability or wrongdoing of any kind associated with the claims
12 alleged in the Action, including all allegations made or that could have been made based upon the
13 factual allegations in the Operative Complaint and other pleadings described herein. Defendant
14 further contends that, for any purpose other than settlement, this Action is not appropriate for class
15 treatment. Among other things, Defendant contends that it complied in good faith with all provisions
16 of California and federal law including, but not limited to, properly paying Class Members for all
17 vacation time, providing Class Members with accurate, itemized wage statements in compliance with
18 California Labor Code Section 226, and properly paying Class Members all wages due each pay
19 period and at the termination of their employment.

20 1.9 Based on the investigation summarized above, Class Counsel are of the opinion that
21 the Settlement on the terms set forth in this Agreement is fair, reasonable, and adequate and is in the
22 best interest of the Class in light of all known facts and circumstances, including the risk of
23 significant delay, defenses asserted by Defendant, unresolved legal issues that could have a material
24 impact on the outcome of the Action, and numerous potential appellate issues. The Parties recognize
25 that the issues presented in the Action are likely only to be resolved after extensive and costly pretrial
26 proceedings, including a dispute as to whether any of the claims asserted can be certified as a class
27 action, and that further litigation will cause inconvenience, distraction, disruption, delay and expense
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1 disproportionate to the potential benefits of litigation. The Parties agree that they have taken into
2 account the risk and uncertainty of the outcome inherent in any complex litigation of this nature.

3 1.10 It is the intention of the Parties and the objective of this Agreement to avoid the costs
4 of further litigation, trial and appeals, and to settle and dispose of, fully and completely and forever,
5 the claims released herein and described below, on the terms set forth herein.

6 **2. DEFINITIONS**

7 As used in this Agreement, the terms set forth in this Section 2 shall have the meanings
8 ascribed to them below.

9 2.1 **Action.** “Action” means the above-captioned action entitled *Jamie Waterman v.*
10 *Ameritech Financial*, Case No. SCV-261327, currently pending in Sonoma County Superior Court,
11 State of California.

12 2.2 **Agreement.** “Agreement” means this Stipulation of Settlement and Release,
13 including attached Exhibits 1 and 2.

14 2.3 **Allocations.** “Allocations” means the amount to be paid from the Net Settlement
15 Fund to the Settlement Class Members, which shall be calculated as provided in Section 4.5 of this
16 Agreement.

17 2.4 **Claims.** “Claims” means the claims stated in the First Amended Complaint and those
18 based on the facts alleged in the First Amended Complaint, namely, for Failure to Pay All Vested
19 Paid Time Off Wages (First Cause of Action); Failure to Failure to Provide Accurate Itemized Wage
20 Statements (Second Cause of Action); Failure to Pay Compensation at Time of Termination (Third
21 Cause of Action); Unfair and Unlawful Business Practices (Fourth Cause of Action); and Civil
22 Penalties under the Private Attorneys General Act (“PAGA”) (Fifth Cause of Action).

23 2.5 **Class Members.** “Class Members” includes the following:

- 24 a. **Plaintiff Class:** All persons employed at Ameritech locations owned and/or operated
25 by Defendant in the State of California between January 1, 2017 and June 20, 2017
26 who left employment prior to the expiration of their 90-day probationary period.

1 2.13 **Fee and Expense Award.** “Fee and Expense Award” means such award of attorneys’
2 fees and costs/expenses as the Court may authorize to be paid to Plaintiffs’ Counsel from the Gross
3 Settlement Fund for their services to Plaintiffs in the Action.

4 2.14 **Final Approval Hearing.** “Final Approval Hearing” means the hearing at or after
5 which the Court makes a decision on whether to grant final approval of the Settlement as fair,
6 reasonable and adequate, implement the terms of the Agreement and enter Judgment.

7 2.15 **Final Approval Order or Judgment.** “Final Approval Order” or “Judgment” means
8 the order and judgment finally approving the Settlement, as contemplated in Section 5.2 of this
9 Agreement.

10 2.16 **Gross Settlement Fund.** “Gross Settlement Fund” means the aggregate sum of One
11 Hundred Fifty-Five Thousand Dollars and No Cents (\$155,000.00), which is the maximum total
12 amount that Defendant shall be required to pay for all purposes under this Agreement in full and final
13 settlement of the Action. The following shall be paid from the Gross Settlement Fund pursuant to the
14 Plan of Allocation: (a) Settlement Awards to all Settlement Class Members, (b) Fee and Expense
15 Award, (c) Service Award; (d) payment to the California Labor & Workforce Development Agency
16 (“LWDA”) related to Plaintiff’s PAGA Claim; and (e) Settlement Administration Costs. Under no
17 circumstances shall Defendant pay any sum in excess of the Gross Settlement Fund.

18 2.17 **Judgment.** “Judgment” means the Judgment entered on the Final Approval Order in
19 the Action.

20 2.18 **LWDA Payment.** “LWDA Payment” means the final amount approved as payment
21 to the LWDA for resolution of the PAGA claims of Plaintiff and the Class Members.

22 2.19 **Named Plaintiff.** “Named Plaintiff” means plaintiff Jamie Waterman.

23 2.20 **Net Settlement Fund.** “Net Settlement Fund” means the Gross Settlement Fund less
24 the Fee and Expense Award, the Service Award, the LWDA Payment, and the Settlement
25 Administration Costs.

26 2.21 **Objection Deadline.** “Objection Deadline” means the postmarked date 30 days from
27 the initial mailing of the Class Notice, or such other date set by the Court in the Preliminary Approval
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1 Order, for a Class Member to object to the Settlement as provided in Section 4.4 of this Agreement.
2 In the event the Settlement Administrator must re-mail a Class Notice, those Settlement Class
3 Members shall have an additional fourteen (14) days to object to the Settlement; provided, however
4 that all Objections must be postmarked by the date 45 days from the date of initial mailing of the
5 Class Notice no matter when the re-mailing occurred.

6 2.22 **Parties.** “Parties” means Named Plaintiff and Defendant.

7 2.23 **Plaintiffs.** “Plaintiffs” means Named Plaintiff and Class Members.

8 2.24 **Plaintiffs’ Counsel.** “Plaintiffs’ Counsel” means Humphrey & Rist, LLP.

9 2.25 **Plan of Allocation.** “Plan of Allocation” means the manner in which the Net
10 Settlement Fund shall be allocated to Settlement Class Members, as specified in Section 4.5 of this
11 Agreement.

12 2.26 **Preliminary Approval or Preliminary Approval Order.** “Preliminary Approval” or
13 “Preliminary Approval Order” means the order preliminarily approving the Settlement, which shall,
14 among other things, preliminarily approve the Settlement as fair, reasonable and adequate, approve
15 the content and manner of distribution of Class Notice to Plaintiffs, approve the Settlement
16 Administrator, and set the briefing schedule for Named Plaintiff’s motion for final approval of the
17 Settlement.

18 2.27 **Preliminary Approval Date.** “Preliminary Approval Date” means the date upon
19 which the Court enters the Preliminary Approval Order.

20 2.28 **Pro Rata Allocation.** “Pro Rata Allocation” means the amount of money to be paid
21 to each Settlement Class Member from the Net Settlement Fund, based on the Plan of Allocation set
22 forth in Section 4.5 of this Agreement.

23 2.29 **Released Claims.** “Released Claims” means all claims stated in the First Amended
24 Complaint and those based on the facts alleged in the First Amended Complaint that accrued during
25 the Class Period. Notwithstanding the above, the release excludes any claims not specifically alleged
26 in the First Amended Complaint.

1 2.30 **Released Parties.** “Released Parties” means Defendant, all of Defendant’s past and
2 present shareholders, officers, directors, managers, supervisors, agents, attorneys, insurers, successors
3 and assigns, and any individual or entity that could be jointly liable with Defendant for allegations set
4 forth in the First Amended Complaint.

5 2.31 **Request for Exclusion.** “Request for Exclusion” means a written request by a Class
6 Member to be excluded from the Settlement.

7 2.32 **Request for Exclusion Deadline.** “Request for Exclusion Deadline” means the
8 postmarked date 30 days from the date of initial mailing of the Class Notice, or such other date set by
9 the Court in the Preliminary Approval Order, for a Class Member to mail a Request for Exclusion to
10 the Claims Administrator. In the event the Settlement Administrator must re-mail a Class Notice,
11 then those Class Members shall have an additional fourteen (14) days from the date of re-mailing to
12 request exclusion from the Settlement, provided, however, that all Requests for Exclusion must be
13 postmarked by the date 45 days from the date of initial mailing of the Class Notice no matter when
14 the re-mailing occurred.

15 2.33 **Service Award.** “Service Award” means the payment, if any, authorized by the Court
16 to be made to the Named Plaintiff in addition to any Pro Rata Allocation.

17 2.34 **Settlement.** “Settlement” means this Agreement and all actions taken pursuant to and
18 in furtherance of this Agreement.

19 2.35 **Settlement Administration Costs.** “Settlement Administration Costs” means the
20 amount approved by the Court to be paid out of the Gross Settlement Fund for the services of a
21 Settlement Administrator to administer the Settlement, including but not limited to printing and
22 mailing the Class Notice, locating Class Members, calculating Settlement Awards, issuing Settlement
23 Award and other checks payable pursuant to this Agreement, and reporting all applicable payments
24 made hereunder on Internal Revenue Service (IRS) Form 1099-MISC. It is estimated that the
25 Settlement Administration Costs will total no more than \$5,000.00.

26 2.36 **Settlement Administrator.** “Settlement Administrator” means ILYM GROUP, INC.,
27 or such other administrator as may be approved by the Court, which shall be responsible for
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1 administering the Settlement pursuant to the terms of the Agreement, the Class Notice, the
2 Preliminary Approval Order, and the Final Approval Order and Judgment. The Settlement
3 Administrator shall agree to confidentiality terms as may be required by Defendant regarding Class
4 Members' personal identifying information provided to the Settlement Administrator by it, and the
5 Settlement Administrator shall work with Plaintiffs' Counsel and Defendant's Counsel to implement
6 and administer appropriate fraud-prevention policies relating to the Settlement.

7 **2.37 Settlement Award.** "Settlement Award" means the Pro Rata Allocation to be paid
8 from the Net Settlement Fund to a Settlement Class Member.

9 **2.38 Settlement Class Members.** "Settlement Class Members" means all Class Members
10 who do not timely complete and mail a Request for Exclusion from the Settlement.

11 **3. SETTLEMENT TERMS**

12 **3.1 Settlement Payment by Defendant.** In full and final settlement of this Action and
13 the Released Claims, within fifteen (15) days of the Effective Date, Defendant shall remit the Gross
14 Settlement Fund to the Settlement Administrator for the purpose of funding the Settlement. The
15 Gross Settlement Fund shall be applied to the payment of all Settlement Awards, Plaintiffs'
16 Counsel's Fee and Expense Award, the LWDA Payment, Service Award, and Settlement
17 Administration Costs as awarded by the Court. Under no circumstances will Defendant be obligated
18 to pay more than the Gross Settlement Fund to settle the Action and the Released Claims. This
19 settlement is non-reversionary, meaning that Settlement Class Members will not have to make a
20 claim in order to receive a distribution. Distributions, in the form of individual Settlement Awards,
21 will be made directly to each participating Settlement Class Member.

22 **3.2 Attorneys' Fees and Costs.** Defendant will not oppose Named Plaintiff's motion for
23 \$62,000 as an award of attorneys' fees and costs of approximately \$5,000. The Fee and Expense
24 Award shall be paid from the Gross Settlement Fund, and Defendant shall not otherwise be obligated
25 to pay any portion of Plaintiff's attorneys' fees, costs or expenses. The specific amounts of the
26 attorneys' fees and costs awarded shall be subject to final approval by the Court, and the award of
27 any amounts less than requested by Named Plaintiff will not be grounds for terminating the
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1 Settlement, but may be subject to an appeal by Plaintiffs or Plaintiffs' Counsel. Any amount of
2 attorneys' fees and costs requested by Named Plaintiff and ultimately not awarded by the Court shall
3 be included in the Net Settlement Fund for distribution to the Settlement Class Members.

4 **3.3 LWDA Allocation and Payment.** Defendant will not oppose an allocation of \$1,500
5 of the Gross Settlement Fund to the LWDA and Class Members pursuant to their claims for relief
6 under PAGA. Subject to court approval, the Parties anticipate that \$1,125, or seventy-five percent
7 (75%) of the allocation, would be paid to the LWDA and \$375, or twenty-five percent (25%) of the
8 allocation, would be distributed to the Settlement Class Members as part of the Net Settlement Fund.

9 **3.4 Service Awards.** Defendant will not oppose Named Plaintiff's motion for a Service
10 Award in an amount not to exceed \$5,000.00, subject to approval by the Court. This Service Award
11 is payment for the Named Plaintiff's efforts and activities in furtherance of the Action and its
12 resolution, and in consideration of the Named Plaintiff's general release of claims set forth in Section
13 5.4 below. The Service Award paid under this Section shall be pre-tax and reported on IRS Form
14 1099-MISC. Any amount not approved by the Court as a Service Award shall be included in the Net
15 Settlement Fund for distribution to the Settlement Class Members.

16 **3.5 Settlement Administration Costs.** Defendant will not oppose the award of
17 Settlement Administration Costs in an amount not to exceed \$5,000.00, to be paid from the Gross
18 Settlement Fund and subject to approval by the Court. Any costs of administration of the Settlement
19 not approved by the Court shall remain in the Net Settlement Fund for distribution to the Settlement
20 Class Members. The parties have selected ILYM Group as the Settlement Administrator.

21 **3.6 Interim Stay of Proceedings.** The Parties agree to the entry of a formal stay of all
22 proceedings in the Action, except such proceedings as may be necessary to implement and complete
23 the Settlement, pending the Court's Final Approval Order and entry of Judgment.

24 **4. CLASS SETTLEMENT PROCEDURES**

25 **4.1 Preliminary Approval.** As soon as practicable after execution of this Agreement,
26 Named Plaintiff shall move for Preliminary Approval of the Settlement. Defendant will not oppose
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1 the motion, provided it is consistent with this Agreement. Plaintiff's motion shall request that the
2 Court:

3 a. Preliminarily approve this Agreement as being fair, reasonable and adequate;
4 b. Preliminarily approve that Plaintiffs' law firm be appointed as Plaintiffs'
5 Counsel to carry out the duties described in this Agreement and preliminarily approve Plaintiff as
6 Class Representative;

7 c. Preliminarily certify the Class, for settlement purposes only, as an opt-out class
8 under California Code of Civil Procedure §382. More specifically, the Parties agree as part of the
9 Agreement that, for settlement purposes, the requirements of California Code of Civil Procedure
10 §382 are satisfied. This Agreement is made solely for purposes of the Settlement. The Agreement is
11 in no way an admission that class certification is proper, and this Agreement will not be admissible in
12 this or any other action or proceeding as evidence that (i) the claims advanced in the Action should be
13 certified, or (ii) Defendant or any of the Released Parties are liable to Plaintiff, the Class Members, or
14 any other putative class.

15 d. Preliminarily approve the form, content and manner of distribution of the Class
16 Notice (Exhibit 1) and Class Member Information Sheet (Exhibit 2).

17 e. Set deadlines for the Settlement Administrator to distribute the Class Notice
18 and for Class Members to return their Requests for Exclusion or objections to the Settlement;

19 f. Set a deadline for Named Plaintiff to file his motion for final approval of the
20 Settlement;

21 g. Approve ILYM Group, Inc. as the Settlement Administrator; and

22 h. Stay all proceedings in the Action pending Final Approval.

23 **4.2 Class Notice.** Subject to Court approval, the Parties agree that as soon as practicable
24 after entry of the Preliminary Approval Order, the Settlement Administrator shall provide notice of
25 the Settlement to the Class Members pursuant to the following procedures:

26 4.2.1 Within 15 days of the entry of the Preliminary Approval Order, Defendant will
27 provide the Settlement Administrator the following information with respect to each Class Member
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1 based on Defendant's records: (i) name, (ii) last known residence address, (iii) last known telephone
2 number, (iv) social security number; (v) the number of pay periods during which each Class Member
3 worked for Defendant during the Class Period; and (vi) the amount of actual paid time off owed to
4 each class member.

5 4.2.2 The information so provided shall be designated as Confidential. The
6 information Defendant provides to the Settlement Administrator, along with any updated contact
7 information identified by the Settlement Administrator as set forth in Section 4.2.3, below, shall be
8 used solely to administer the Settlement, shall remain confidential, and shall not be disclosed to
9 anyone, except pursuant to the express written authorization of Defendant or the individual in
10 question, by order of the Court, or to the extent necessary to fulfill the Settlement Administrator's
11 reporting obligations hereunder. Nothing herein shall limit use of the information by the Settlement
12 Administrator for purposes of administering the Settlement; provided, however, that the Settlement
13 Administrator shall not disclose any of the information to Plaintiffs or Plaintiffs' Counsel. Plaintiffs'
14 Counsel shall be provided the current name and contact information of any Settlement Class Member
15 who files an objection or who contests the information in his or her Class Notice.

16 4.2.3 The Settlement Administrator's duties shall include, without limitation:
17 (i) printing and mailing to the Class Members the Class Notice as directed by the Court; (ii) taking all
18 steps reasonably necessary to ensure Class Members timely receive the Class Notice; (iii) consulting
19 as necessary with Plaintiffs' Counsel and Defendant's Counsel concerning the pay periods worked by
20 Class Members and the amount of any Settlement Awards to be paid to Settlement Class Members;
21 (iv) receiving any objections made by potential Class Members; (v) taking receipt of and
22 safeguarding the Gross Settlement Fund; (vi) calculating and disbursing the Settlement Awards
23 (including interest thereon at 10%), the Service Award, and the Fee and Expense Award, provided
24 such amounts are approved by the Court; and (vii) issuing IRS Forms 1099-MISC with respect to the
25 Settlement Awards, Service Awards, and Fee and Expense Award, together with such other tasks as
26 the Parties may mutually agree or the Court may order the Settlement Administrator to perform. The
27 Settlement Administrator shall take all reasonable steps to ensure that (a) the highest percentage of
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1 Class Members receive a Class Notice; (b) Class Members who wish to participate in the Settlement
2 are permitted to do so consistent with this Agreement; and (c) it has the most current and accurate
3 addresses for Class Members, including, but not limited to performing an initial National Change of
4 Address database search on Class Members for whom Defendant does not have a current address. In
5 addition, the Settlement Administrator shall perform a standard search, also known as “batch,” “skip
6 trace,” or “credit header” searches on all addresses returned as undeliverable. The Settlement
7 Administrator shall immediately re-mail a Class Notice to all updated addresses obtained through its
8 efforts to locate the most current and accurate addresses for Class Members. The Settlement
9 Administrator shall also provide toll-free telephone support to Class Members for any questions they
10 may have; set up a website for Class Members to be directed to, with Settlement-related documents
11 posted thereto; maintain appropriate databases to fulfill its duties; receive, control and account for all
12 returned Class Notices, Requests for Exclusion, objections and disputes; calculate the Settlement
13 Awards; and prepare and deliver reports to Plaintiffs’ Counsel and Defendant’s Counsel on a weekly
14 basis that communicate the status of the administration of the notice process, including the number of
15 Class Notices mailed, returned, searched and re-mailed, as well as the number of Requests for
16 Exclusion, objections and any disputes received by it. In addition to the duties identified above, the
17 Settlement Administrator shall prepare final declarations, reports and invoices that accurately
18 describe the Settlement process, the level of participation, and actions taken to ensure the best
19 possible notice of the Settlement was provided to Class Members.

20 4.2.4 Within 21 days following receipt of the information to be provided under
21 Section 4.2.1, above, the Settlement Administrator shall mail the Class Notice to all Class Members.
22 The Settlement Administrator shall send the Class Notice in the form approved in the Preliminary
23 Approval Order to Class Members, via first class United States mail, using the most current mailing
24 address. Any Class Notices returned to the Settlement Administrator with a forwarding address shall
25 be immediately re-mailed by the Settlement Administrator. The Settlement Administrator shall
26 conduct one or more address searches for any Class Member’s Class Notice that is returned without a
27 forwarding address and shall, upon obtaining a new or different address, immediately re-mail the
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1 Class Member's Class Notice. It shall be presumed that each and every Class Member whose Class
2 Notice is not returned to the Claims Administrator as undeliverable within forty-five (45) days after
3 mailing has actually received the Class Notice.

4 4.2.5 Without prejudice to any other remedies, the Settlement Administrator shall
5 agree to be responsible for any breach of its obligations (whether committed by the Settlement
6 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from
7 and against all liabilities, claims, causes of action, costs and expenses (including legal fees and
8 expenses) arising out of any breach committed by the Settlement Administrator or its agents.

9 4.2.6 If a Class Member disputes the total pay periods shown on his or her Class
10 Member Information Sheet, he or she may produce information to the Settlement Administrator
11 showing such other number of pay periods he or she contends should be used. The Settlement
12 Administrator shall review the information provided and make a final determination as to the pay
13 period figure to be used.

14 4.3 **Requests for Exclusion/Opt Outs.** Class Members who wish to be excluded from or
15 opt out of the Settlement must submit a written, signed Request for Exclusion to the Settlement
16 Administrator, within 30 days from the date of mailing of notices. Any Class Members who validly
17 and timely opt out of the Class will not be entitled to any recovery under the Settlement, will not be
18 bound by the Settlement, and will not have any right to object, appeal or comment thereon. Class
19 Members who do not submit a valid and timely request for exclusion shall be bound by all the terms
20 of the Agreement and any Final Approval Order or Judgment in this Action, and shall be deemed to
21 have waived all unstated objections and opposition to the fairness, reasonableness, and adequacy of
22 this Agreement.

23 4.3.1 The Request for Exclusion must contain the (i) the name of this Action; (ii) the
24 full name, address, telephone number and last four digits of the Social Security Number of the person
25 requesting to be excluded; (iii) the words "Request for Exclusion" at the top of the document; and
26 (iv) the following statement:
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1 “I wish to be excluded from the Settlement of this case, *Jamie Waterman v. Ameritech*
2 *Financial*, Case No. SCV-261327. I understand that by requesting to be excluded
3 from the Settlement, I will receive no money from the Settlement and I may bring a
4 separate action. I understand that in any separate action, I may receive nothing or I
5 may receive less than I would have received if I had not asked to be excluded from the
6 Settlement. I understand that I should consult with an attorney, at my own expense,
7 regarding the applicable statute of limitations.”

8 4.3.2 The Request for Exclusion must be personally signed by the Class Member
9 who seeks to be excluded. No Class Member may opt out by having a Request for Exclusion
10 submitted by an actual or purported agent or attorney acting on behalf of the Class Member. No
11 Request for Exclusion may be made on behalf of a group of Class Members.

12 4.3.3 For purposes of determining timeliness, Requests for Exclusion shall be
13 deemed to have been submitted on the date postmarked by the U.S. Postal Service or other delivery
14 service. The Settlement Administrator shall stamp the date received on the original of any Request
15 for Exclusion it receives. Not later than ten (10) days after the Request for Exclusion Deadline, the
16 Settlement Administrator will inform Plaintiffs’ Counsel and Defendant’s Counsel of the total
17 number of Class Members who timely submitted valid Requests for Exclusion. Not later than ten
18 (10) days before the Final Approval Hearing, the Settlement Administrator shall serve copies of all
19 date-stamped Requests for Exclusion on Plaintiffs’ Counsel and Defendant’s Counsel as well as a
20 declaration describing the notice process. The Settlement Administrator shall retain the originals of
21 all Requests for Exclusion in its files. Counsel for the Parties shall not use or disclose the
22 information thus received for any purpose other than the effectuation of the Settlement.

23 4.3.4 Each Class Member who does not submit a Request for Exclusion substantially
24 in compliance with Sections 4.3.1 and 4.3.2 by the Request for Exclusion Deadline shall be bound by
25 the terms of this Agreement and any Court order approving the terms of the Settlement.

26 4.3.5 In the event of any issue over the completeness, timeliness or validity of any
27 Request for Exclusion, the Parties shall meet and confer in good faith for the purpose of resolving the
28 issue and, if the issue cannot be resolved, shall submit the dispute to the Settlement Administrator for
a final and binding resolution which shall not be appealable.

1 4.3.6 If more than five percent of Class Members opt out, Defendant shall have the
2 unilateral right to rescind this Agreement, in which case all of Defendant's obligations under this
3 Agreement shall cease to be of any force or effect, and this Agreement shall be null and void. If
4 Defendant exercises this option, it shall provide Named Plaintiff with written notice of its election
5 within 21 days of the Request for Exclusion Deadline, with a copy to the Settlement Administrator, at
6 which point the Parties shall return to their respective positions that existed before the execution of
7 this Agreement. If rescinded, no term of this Agreement or any draft thereof, or the negotiation,
8 documentation or other part or aspect of the Parties' settlement discussions, shall have any effect or
9 be admissible as evidence for any purpose in the Action, or in any other proceeding.
10 Notwithstanding the foregoing, the Parties agree that in the event this Agreement is rescinded by
11 Defendant pursuant to this Section, Defendant shall pay the expenses incurred by the Settlement
12 Administrator through the date of Defendant's election to rescind, not to exceed seventy-five percent
13 (75%) of the amount approved by the Court in the Preliminary Approval Order.

14 4.4 **Objections to Settlement.** Class Members who do not exclude themselves from the
15 Settlement may object to the Settlement, in accordance with the procedure set forth below.

16 4.4.1 Class Members who wish to object to the Settlement must submit a written,
17 signed statement objecting to the Settlement to the Settlement Administrator by the Objection
18 Deadline. No Class Member may object on behalf of any other Class Member or group of Class
19 Members. All written objections along with any supporting briefs or other materials submitted by
20 Class Members will be bundled together and filed as a group by counsel for the Plaintiff prior to the
21 final fairness hearing.

22 4.4.2 At the same time Named Plaintiff moves for Final Approval pursuant to
23 Section 4.7 of this Agreement, Named Plaintiff shall also file a response to any objections filed by
24 Class Members. Named Plaintiff's Counsel shall give Defendant's Counsel a draft of the response to
25 review at least three (3) business days before the filing deadline. Defendant shall be permitted, but
26 not required, to file its own response to any objections.

1 4.4.3 No Class Member shall be entitled to be heard at the Fairness Hearing, whether
2 individually or through separate counsel, unless the written statement of objections and supporting
3 materials are timely filed as set forth in this Section. Class Members who fail to submit timely
4 written objections in the manner specified above shall be deemed to have waived any objections and
5 shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement.

6 **4.5 Plan of Allocation: Calculation of Settlement Awards.** The Settlement
7 Administrator shall be responsible for the Allocations of the Net Settlement Fund to Settlement Class
8 Members. The Settlement Awards to Settlement Class Members will be paid on a pro rata basis as
9 follows:

10 4.5.1 Before computing the amounts of any Settlement Awards to be paid to
11 Settlement Class Members, the Claims Administrator shall determine the amount of the Net
12 Settlement Fund by deducting from the Gross Settlement Fund the following: (a) the Fee and
13 Expense Award; (b) the Service Award; (c) the LWDA payment for resolution of Plaintiffs' PAGA
14 claim; and (d) the estimated amount of the Settlement Administration Costs.

15 4.5.2 The Settlement Award shall then be calculated as follows:

16 The actual paid time off balance outstanding for each Class Member plus interest at
17 10%. Once this amount is subtracted from the net settlement proceeds, the remainder
18 will be divided between Class Members and paid based upon the total number of pay
19 periods they worked for Defendant.

20 4.5.3 The Settlement Administrator shall pay Settlement Awards from the Net
21 Settlement Fund and shall pay only those Settlement Awards payable to Settlement Class Members.
22 It is anticipated that the Settlement Class Members will be a subset of the Class Members because
23 some number of Class Members may opt out of the Settlement.

24 4.5.4 The Settlement Administrator shall determine the Settlement Award that each
25 Settlement Class Member is entitled to receive, pursuant to the formulas set forth in Sections 4.5.2
26 and 4.5.3, above. In order to determine the amount of the Settlement Award to which any Settlement
27 Class Member is entitled, the Settlement Administrator shall use the information provided by
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1 Defendant pursuant to Section 4.2.1, above. In the event that any dispute arises with respect to the
2 total pay periods for a Class Member or a Settlement Award amount, the Settlement Administrator
3 may review additional information provided by the Class Member but shall make the final
4 determination after consultation with Plaintiffs' Counsel and Defendant's Counsel.

5 **4.6 Taxes.**

6 4.6.1 Each Settlement Class Member, Named Plaintiff and Plaintiffs' Counsel shall
7 be solely responsible for the payment of all federal, state and local income taxes due on all amounts
8 the Settlement Class Member, Named Plaintiff or Plaintiffs' Counsel receives pursuant to this
9 Agreement, and Defendant shall have no responsibility for any such taxes whatsoever.

10 4.6.2 It shall be the responsibility of Defendant to issue IRS Form W-2 for the
11 amount of actual paid time off that is paid to each Class Member. Defendant shall issue the Forms
12 W-2 in accordance with its regular payroll practices.

13 4.6.3 It shall be the responsibility of the Settlement Administrator to report payments
14 made to Settlement Class Members for unpaid interest and penalties on IRS Form 1099-MISC, as
15 applicable, and to provide copies thereof to the individuals named thereon, respectively, and to all
16 applicable governmental entities, as required by law.

17 4.6.4 All reasonable and direct expenses and costs incurred by or at the direction of
18 the Settlement Administrator in connection with the administration of the Settlement (including,
19 without limitation, expenses of tax attorneys and/or accountants incurred in providing advice to the
20 Settlement Administrator, and mailing and distribution costs and expenses relating to the filing (or
21 failure to file) any necessary tax reports shall be considered a cost of administration of the Settlement
22 and shall be part of the Settlement Administration Costs, to be paid out of the Gross Settlement Fund.

23 4.6.5 No person shall have any claim against Defendant (or its designee),
24 Defendant's Counsel, Plaintiffs, Plaintiffs' Counsel, or the Settlement Administrator based on
25 mailings, distributions, payments or reports made in accordance with or pursuant to this Agreement.
26 This provision does not, however, prevent a Party from seeking enforcement of this Agreement.

1 4.7 **Final Approval and Entry of Judgment.** No later than thirty-five days after the
2 Objection Deadline or the Request for Exclusion Deadline, or on or before such other date set by the
3 Court, Named Plaintiff shall file his motion for final approval of the Settlement. Plaintiffs' Counsel
4 shall draft the final approval papers and give Defendant's Counsel a draft of the papers to review at
5 least five (5) business days before the motion is filed. In the motion, Named Plaintiff shall request
6 that the Court finally approve the Settlement as fair, reasonable and adequate and enter Judgment on
7 the Court's Final Approval Order, dismissing the Settlement Class Members' claims with prejudice
8 and the claims of all other Class Members without prejudice. Defendant will not oppose the motion,
9 provided it is consistent with this Agreement.

10 4.8 **Calculation of Gross and Net Settlement Funds.** Within 21 days from the date of
11 the Final Approval Order, the Settlement Administrator shall calculate and advise Counsel for the
12 Parties of the amount of the Net Settlement Fund and the calculation thereof.

13 4.9 **Distribution of Settlement Awards.** After the Effective Date, the Settlement Awards
14 shall be distributed to Settlement Class Members in accordance with the procedures set forth below:

15 4.9.1 Within 15 days from Defendant's remittance to the Settlement Administrator
16 of the Gross Settlement Fund, the Settlement Administrator shall disburse (a) the Fee and Expense
17 Award to Plaintiffs' Counsel, (b) the Settlement Award checks to each Settlement Class Member, and
18 (c) the Settlement Award check and Service Award to the Named Plaintiff. Also within 15 days from
19 Defendant's remittance of the Gross Settlement Fund, the Settlement Administrator shall provide
20 Plaintiffs' Counsel and Defendant's Counsel a written report listing each Settlement Class Member
21 and the amount of the Settlement Award to be paid to each of them. Plaintiffs' Counsel shall hold the
22 information contained in this report in strictest confidence and not use or disclose it for any purpose,
23 except on the written authorization of counsel for Defendant or by order of the Court.

24 4.9.2 All checks tendered to Settlement Class Members shall remain valid and
25 negotiable for one hundred and eighty (180) days from the date of their issuance. In the event that
26 any checks mailed to Settlement Class Members remain uncashed after the expiration of 180 days, or
27 an envelope mailed to a Settlement Class Member is returned and no forwarding address can be
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1 located for the Settlement Class Member after reasonable efforts have been made, then any such
2 funds shall be transmitted by the Settlement Administrator pursuant to governing California law to
3 the California Department of Industrial Relations, to be held there in the name of and for the benefit
4 of such class members.

5 4.9.3 Defendant shall fully discharge its obligations to Plaintiffs through the
6 remittance of the Gross Settlement Fund to the Settlement Administrator as set forth in Section 3.1,
7 above, regardless of whether individual Settlement Awards are actually received or negotiated by
8 Settlement Class Members. Once Defendant has complied with its obligation set forth in Section 3.1,
9 above, it shall be deemed to have satisfied all of the terms and conditions of this Agreement, shall be
10 entitled to all the protections afforded it under the Agreement, and shall have no further obligations
11 under the Agreement, regardless of what occurs with respect to the further administration of the
12 Settlement. Without prejudice to any other remedies, both the Settlement Administrator and
13 Plaintiffs' Counsel shall hold Defendant harmless from and against all liabilities, claims, causes of
14 action, costs and expenses (including legal fees and expenses) arising out of any failure to timely or
15 properly compensate Settlement Class Members as provided in this Agreement.

16 **4.10 Questions and Disputes.**

17 4.10.1 In the event that questions or disputes arise regarding the entitlement of any
18 Class Member under this Agreement, counsel for each Party shall cooperate to provide to counsel for
19 the other Party and the Settlement Administrator all available information reasonably necessary to
20 resolve them. Such information shall be provided in either electronic form or hard copy, as the
21 Settlement Administrator may reasonably request.

22 4.10.2 If the Parties cannot resolve any dispute concerning the entitlement of any
23 Class Member under this Agreement, the dispute(s) shall be submitted to the Settlement
24 Administrator, who shall resolve the dispute(s) and whose decision shall be final and binding. In
25 such a dispute, the information provided by Defendant will be presumed accurate. If a Class Member
26 disputes the number of pay periods listed on the Notice, the Class Member may produce evidence to
27 the Settlement Administrator indicating the number of pay periods contended to have been
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1 applicable. Defendant's records will be presumed determinative, absent evidence to rebut
2 Defendant's records. In the event the Class Member submits evidence, the Settlement Administrator
3 will evaluate the evidence submitted and provide the evidence submitted to the Parties who agree to
4 meet and confer about the evidence to determine the actual number of pay periods employed and
5 estimated Settlement Award. If the Parties are unable to agree, the Parties agree to submit the dispute
6 to the Settlement Administrator to render a final decision.

7 **4.11 Notification and Certification by Settlement Administrator.** The Settlement
8 Administrator shall keep Defendant's Counsel and Plaintiffs' Counsel apprised of the status of the
9 settlement administration process and its distribution of Settlement Awards. Upon completion of
10 administration of the Settlement, the Settlement Administrator shall provide a detailed, written
11 certification of such completion to counsel for the Parties.

12 **4.12 Nullification of Agreement if Settlement Not Approved.** In the event (a) the Court
13 does not preliminarily approve the Settlement as provided herein, (b) the Court does not finally
14 approve the Settlement as provided herein, (c) the Court does not enter the Judgment as provided
15 herein, or (d) the Settlement does not become final for any other reason, including the exercise of
16 Defendant's right to rescind the Settlement under Section 4.3.6 above, this Agreement shall be null
17 and void *ab initio* (with the exception of this Section) and any order or Judgment entered by the
18 Court in furtherance of this Settlement shall be treated as withdrawn or vacated by stipulation of the
19 Parties. In such case, Defendant shall have no obligation to make any payments to the Settlement
20 Class Members, Named Plaintiff or Plaintiffs' Counsel, and the Parties shall be returned to their
21 respective statuses as of March 26, 2018.

22 **4.13 Number of Class Members.** At the time the Parties signed the Memorandum of
23 Understanding on March 26, 2018, Defendant represented there were 64 Class Members.

24 **5. ENTRY OF JUDGMENT AND RELEASES**

25 **5.1 Obtaining Approval.** As soon as practicable after expiration of the revocation period
26 set forth in section 5.4.4, Plaintiffs' Counsel shall, with the cooperation of Defendant's Counsel as
27 reasonably requested by Plaintiffs' Counsel, take all necessary steps to secure Preliminary Approval
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1 and Final Approval of the Settlement by the Court, including responding to any objectors,
2 intervenors, or other persons or entities seeking to preclude approval of this Agreement.

3 **5.2 Entry of Judgment.** The Final Approval Order and Judgment shall include a
4 provision for entry of judgment in accordance with this Agreement, with each Party to bear all of its
5 own costs and attorneys' fees, except as expressly set forth herein.

6 **5.3 Releases by Settlement Class Members.** Effective upon the Effective Date and for
7 good and valuable consideration set forth herein, all Settlement Class Members shall be deemed to
8 have, and by operation of the Judgment shall have, expressly released, waived and relinquished the
9 Released Claims. The Settlement Class Members agree not to sue any of the Released Parties with
10 respect to any of the Released Claims and refrain from filing any actions, claims, complaints or
11 proceedings regarding the Released Claims with any agency having jurisdiction over the wage and
12 hour laws of the State of California, or from initiating any other proceedings against the Released
13 Parties arising out of or relating to the Released Claims.

14 **5.4 General Release by Named Plaintiff.**

15 5.4.1 Effective upon the Effective Date and for good and valuable consideration set
16 forth herein, Named Plaintiff Jamie Waterman hereby forever generally and completely releases and
17 discharges the Released Parties, of and from any and all claims, rights, demands, liabilities and
18 causes of action of every kind and nature, in law, equity or otherwise, known and unknown,
19 suspected and unsuspected, disclosed and undisclosed, and in particular of and from all claims and
20 demands of every kind and nature, known and unknown, suspected and unsuspected, disclosed and
21 undisclosed, for damages actual, consequential and exemplary, past, present and future, arising out of
22 or in any way related to the Named Plaintiff's employment with Defendant or the termination thereof,
23 agreements, transactions, events, acts or conduct at any time prior to and including the Effective
24 Date, including but not limited to the Released Claims. The Named Plaintiff agrees not to sue or
25 otherwise make a claim against any of the Released Parties with respect to any claim released herein
26 by him and is hereby enjoined from filing any actions, claims, complaints or proceedings with the
27 United States Department of Labor Wage and Hour Division or any agency having jurisdiction over
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1 the wage and hour laws of the State of California, or from initiating any other proceedings against
2 any of the Released Parties regarding any of the claims released herein.

3 5.4.2 Named Plaintiff Jamie Waterman has been fully advised by Plaintiffs' Counsel
4 of the contents of section 1542 of the Civil Code of the State of California, and hereby expressly
5 waives that section and the benefits thereof and the benefits of any similar law of any state or
6 territory of the United States. Section 1542 states as follows:

7 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
8 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
9 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN
10 BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER
11 SETTLEMENT WITH THE DEBTOR.

12 5.4.3 This provision explicitly excludes any claim arising from workers compensation.

13 5.4.4 Named Plaintiff also acknowledges that he is entitled to and has been given twenty-
14 one (21) days to consider whether to accept the terms of the general release agreed to in this
15 Agreement. If Named Plaintiff executes this Agreement before the expiration of the 21-day period,
16 he does so voluntarily, upon the advice and with the approval of Plaintiffs' Counsel, and he expressly
17 and voluntarily waives his right to consider the release for any remaining portion of that 21-day
18 period. Named Plaintiff understands that, after executing this Agreement, he has the right to revoke it
19 within seven (7) days after execution. Named Plaintiff understands that this Agreement will not
20 become effective and enforceable as to Named Plaintiff or any Settlement Class Member unless and
21 until the seven-day revocation period has passed.

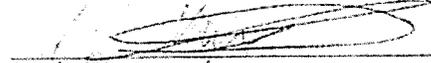
22 **6. ADDITIONAL PROVISIONS**

23 6.1 **No Admission of Liability.** Defendant contends that at all relevant times it has
24 complied with all applicable laws in all respects and that its conduct was not willful or otherwise
25 unlawful with respect to any of the Claims. Defendant has denied and continues to deny each of the
26 claims alleged in the Action and the contentions made by Named Plaintiff therein. Defendant denies
27 any wrongdoing or legal liability arising out of any of the facts or conduct alleged in the Action and
28 believes it has valid defenses to all of the claims alleged therein. This Agreement reflects the

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IN WITNESS THEREOF, the Parties hereto have so agreed.

DATED: 4-16-2018

By: 
Jamie Waterman
Plaintiff

DATED: 4/23/18

By: 
Ameritech Financial
Defendant

DATED: 4/16/2018

HUMPHREY & RIST, LLP
By: 
Christina Humphrey
Thomas Rist
Attorneys for Plaintiff Jamie Waterman

DATED: 4/23/18

SPAULDING MCCULLOUGH &
TANSIL LLP
By: 
Lisa Ann Hilario
Attorneys for Defendant
Ameritech Financial

Exhibit 1

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
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10. How Much Can I Expect to Receive From This Settlement?.....	Page 6
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 _____, 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._____.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 on _____, 2018, at _____ a.m., in Courtroom 19 of Sonoma County Superior Court, located at 3055 Cleveland Avenue, Santa Rosa, CA 95403. 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._____.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 [30 days after notice packet mailed out, but not later than 45 days after initial mailing].

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 _____ . [30 days after notice packet mailed out, but not later than 45 days after initial mailing].

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 _____. [30 days after notice packet mailed out, but not later than 45 days after initial mailing]. 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, \$1,250 of which will be paid to the LWDA.

After deducting items 2-6 above, the remaining sum, estimated at \$76,750, ("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 [30 days after notice packet mailed out, but not later than 45 days after initial mailing]. 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._____.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.

Exhibit 2

Jamie Waterman, on behalf of himself and all others similarly situated v. Ameritech Financial

Case No. SCV-261327

Class Action Settlement: Class Member Information Sheet

IF YOU WANT TO RECEIVE A SHARE OF THE SETTLEMENT OF THE WATERMAN V. AMERITECH FINANCIAL CLASS ACTION, REVIEW THE INFORMATION BELOW TO CONFIRM YOUR CONTACT INFORMATION IS CORRECT.

IF THIS INFORMATION IS ACCURATE, DO NOT RETURN THIS SHEET: YOU AUTOMATICALLY WILL RECEIVE YOUR SETTLEMENT AWARD UNLESS YOU SUBMIT AN ELECTION NOT TO PARTICIPATE.

IF THE INFORMATION BELOW IS NOT CORRECT, PROVIDE CORRECTED INFORMATION, DATE AND SIGN THIS FORM (AT THE BOTTOM OF THE PAGE), AND MAIL IT, POSTMARKED NO LATER THAN X, 2018 [30 days after notice packet mailed out, but not later than 45 days after initial mailing], TO:

Waterman v. Ameritech Financial, Settlement Administrator
 c/o ILYM Group, Inc.
 PO Box 2031
 Tustin, CA 92781

INFORMATION FOR SETTLEMENT CLASS MEMBER RECEIVING THIS NOTICE

1. Your name: <<FullName>>
2. Your mailing address: <<Address1>> <<Address2>>
 <<City>>, <<State>> <<Zip>>
3. Total pay periods you worked between January 1, 2017 and June 20, 2017: <<TotalPayPeriods>>
4. Your estimated settlement award: <<EstAmount>>

If any of the information shown above is not correct, please so indicate below:

Corrected Information	
1. Your corrected name:	
2. Your corrected mailing address:	
3. Last four digits of your Social Security number (you are not required to provide your entire Social Security Number)	
4. Corrected total pay periods employed	

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: _____, 2018 Signature: _____

IT IS YOUR OBLIGATION TO INFORM THE SETTLEMENT ADMINISTRATOR OF ANY CHANGE TO YOUR MAILING ADDRESS PRIOR TO YOUR RECEIPT OF YOUR SETTLEMENT SHARE. FAILURE TO UPDATE YOUR MAILING ADDRESS MAY PREVENT YOUR RECEIPT OF YOUR SETTLEMENT SHARE.

Questions? Please call 1-888-XXX-XXXX