

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Jose Rosales and Gloria Romero, as individuals and on behalf of all similarly situated employees v. IDT America, Corp. et al.,
Case No. 19STCV01581

This Notice is Provided in Both English and Spanish

IF YOU WERE EMPLOYED BY IDT AMERICA, CORP., IDT DOMESTIC TELECOM, INC., OR IDT INTERNATIONAL CORP. AS A RETAIL ACCOUNT MANAGER PERFORMING SERVICES AT ANY TIME FROM JANUARY 22, 2015 THROUGH PRELIMINARY APPROVAL, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING AND RECEIVE A PAYMENT	<p>To receive a payment from the Settlement, you do not have to do anything.</p> <p>If you do nothing, you will be considered a Participating Class Member and will be part of the Settlement as explained more fully below. After final approval by the Court, the payment will be mailed to you at the same address as this Notice. In exchange for the Individual Settlement Share, you will be considered a Participating Class Member and will release the Released Claims against Defendants IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp., and the Released Parties as detailed in Section 5 below. You will also give up the right to pursue a separate legal action against the Released Parties, as explained more fully below. According to Defendants’ records, your estimated minimum share of the settlement is. See Section 6 of this Notice. The actual amount you received may be different and will depend on a number of factors.</p>
EXCLUDE YOURSELF	<p>You have the option to pursue separate legal action against Defendants about the claims in this lawsuit, other than the PAGA claims released. If you choose to do so, you must send a written request to opt out (“Opt Out”) from the Class and Settlement’s release of Released Claims to the Settlement Administrator as provided below. As a result, you will not receive an Individual Settlement Share under the Settlement. Even if you Opt Out, you will still receive your individual portion of the PAGA Payment. If you do not want to be part of the Class and Settlement’s release of Released Claims, you must submit a written request to Opt Out (“Opt Out”) to the Settlement Administrator at the following address, postmarked on or before December 20, 2021.</p>
OBJECT	<p>To object to the Settlement, you must write about to the Settlement Administrator about why you do not agree with the Settlement or appear at the Final Approval Hearing to make an oral objection. This option is available only if you do not Opt Out of the Settlement. If you wish to object to the terms of the Settlement’s release of Released Claims, you must submit a written objection (as explained in detail below) to the Settlement Administrator at the following address, postmarked on or before December 20, 2021.</p>

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) has been reached in the above-captioned actions (the “Action”) pending in the Superior Court of the State of California, in and for the County of Los Angeles (the “Court”) between Plaintiffs Jose Rosales and Gloria Romero (collectively referred to as “Plaintiffs”) and Defendants IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp. (collectively referred to as “Defendants”).

The Court has certified, for settlement purposes only, the following class (the “Class”):

Class Members:

All persons who are or were retained by Defendants as Retail Account Managers who performed services in the State of California from January 22, 2015 through the Preliminary Approval Date of September 21, 2021 (the “Class Period”).

The purpose of this Notice of Class Action and PAGA Settlement (“Notice”) is to briefly describe the Action, and to inform you of your rights and options in connection with them and the proposed Settlement. The proposed Settlement will resolve all claims in the Action. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

DEFENDANTS’ RECORD INDICATE THAT YOU ARE A MEMBER OF THE ABOVE CLASS. AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT SHARE UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASED CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, AS APPLICABLE, UNLESS YOU TIMELY REQUEST TO OPT OUT FROM THE CLASS AND THE SETTLEMENT.

IN ADDITION, IF YOU ARE AN ELIGIBLE AGGRIEVED EMPLOYEE, YOU ARE ELIGIBLE TO RECEIVE A PAGA PAYMENT SHARE UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF PAGA CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, AS APPLICABLE. YOU CANNOT REQUEST TO OPT OUT FROM THE RELEASE OF PAGA CLAIMS.

2. What are these class action lawsuits about?

On January 22, 2019, Plaintiffs filed their initial complaint in this action, purporting to assert putative class action claims on behalf of themselves and all persons similarly situated against Defendants. The Complaint in the Action alleges that Defendants violated the California Labor Code and other laws by failing to pay: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wages; (5) Failure to Pay Timely Wages During Employment; (6) Failure to Pay All Wages Due to Discharged and Quitting Employees; (7) Failure to Maintain Required Records; (8) Failure to Furnish Accurate Itemized Wage Statements; (9) Failure to Indemnify Employees for Necessary Expenditures (10) Unfair Competition (Business and Professions Code § 17200, et seq. and (11) Penalties under the Private Attorneys General Act. Plaintiffs sought to recover the following for all Class Members during the Class Period: damages, restitution of all earned and unpaid wages, declaratory and injunctive relief, statutory penalties, pre-judgment interest, and reasonable costs and attorneys’ fees.

Defendants and the Released Parties expressly deny any wrongdoing or liability to Plaintiffs or any current or former employee of Defendants. Defendants are confident that they have strong legal and factual defenses to the above claims, but they recognize the risks, distractions, and costs associated with litigation. Defendants contend that their conduct has been lawful at all times relevant, that Plaintiffs’ claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiffs and Defendants (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiffs also believe this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of the Plaintiffs’ claims or Defendants’ defenses.

The Court granted preliminary approval of the Settlement on September 21, 2021. At that time, the Court also preliminarily approved Jose Rosales to serve as PAGA Representative and Gloria Romero to serve as Class Representative, and Kevin Mahoney of the Mahoney Law Group, APC, and Justin Lo of Work Lawyers PC as Class Counsel.

3. Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Civil Actions are:

Class Counsel

Kevin Mahoney, Esq.
Mahoney Law Group, APC
249 E. Ocean Boulevard, Suite 814
Long Beach, CA 90802
Telephone: (562) 590-5550
Facsimile: (562) 590-8400

Justin Lo, Esq.
Work Lawyers PC
22939 Hawthorne Blvd. Suite 202
Torrance, CA 90505
Telephone: (424) 355-8335

Defense Counsel

Jennifer C. Terry
Michael Kleinmann
REED SMITH LLP
355 South Grand Avenue, Suite 2900
Los Angeles, CA 90071
Telephone: (213) 457-8000
Facsimile: (213) 457-8080

4. What are the terms of the Settlement?

Gross Fund Value.

Subject to final Court approval, Defendants will pay Five Hundred Thousand Dollars (\$500,000.00) (the “Gross Fund Value”) in connection with this Settlement. Amounts awarded by the Court for attorney’s fees (Class Counsel are requesting \$166,666.66); litigation costs (Class Counsel are requesting an amount not to exceed \$20,000.00), Incentive Payment to representative Romero (\$7,500.00 is being requested), settlement administration fees and costs (estimated to be \$15,000.00), and penalties to the Labor & Workforce Development Agency (as described below) will be paid from the five hundred thousand dollars (\$500,000.00). The remainder of this money will be divided among Defendants’ current and former account managers who are Class Members, based on when and how long they worked for the Defendants during the Class Period.

The Parties have agreed that Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Amount will be allocated to penalties under PAGA and settlement of Eligible Aggrieved Employees’ claims arising under PAGA. Pursuant to Labor Code Section 2699(i), 75% of the PAGA Payment (\$7,500.00) will be paid to the LWDA for PAGA penalties and 25% of the PAGA Payment (\$2,500.00) shall be distributed to all Eligible Aggrieved Employees. Eligible Aggrieved Employees means all persons who are or were retained by Defendants to be Retail Account Managers and who performed services in the State of California at any time from January 22, 2018 through preliminary approval (the “PAGA Period”).

Net Fund Value.

After deducting the above-referenced items (a) through (e) (listed in the Gross Found Value section) from the Gross Found Value, the remaining amount called the “Net Fund Value,” shall be distributed to all Class Members who do not request to be excluded from the Settlement (“Participating Class Member”).

The Net Fund Value shall be the total amount of money available for payout to Participating Class Members. In other words, the Net Fund Value is the portion of the Gross Fund Value that will be distributed to Class Members who do not request exclusion from the Settlement. Governmentally-required employee tax withholdings shall be deducted from that portion of each Individual Settlement Share allocated as wages.

PAGA Payment.

The Two Thousand Five Hundred Dollars (\$2,500) PAGA Payment to the Eligible Aggrieved Employees (which represents 25% of the \$10,000 allocated to settlement of PAGA claims) shall be split as follows. The individual share of the PAGA Payment to Eligible Aggrieved Employees will be calculated by determining the total number of pay periods worked by the Eligible Aggrieved Employees during the PAGA Period (i.e., the sum of all pay periods worked by each Eligible Aggrieved Employee), and dividing that number into the amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each pay period worked.

You do not have to do anything to receive a payment. If the Settlement is approved by the Court, Settlement Class Members will be mailed checks for their Individual Settlement Shares and PAGA Payment, if applicable, which shall remain negotiable for 180 days from the date of mailing.

Any Individual Settlement Share Checks or PAGA Payment checks that remain uncashed after 180 days from issuance shall be void and the Settlement Administrator shall pay the funds represented by such unredeemed checks to California's Secretary of State - Unclaimed Property Fund. In such event, the Participating Class Member and/or Eligible Aggrieved Employee shall nevertheless remain bound by the Settlement's Released Claims and/or release of PAGA claims, as applicable.

Tax Reporting.

For tax reporting purposes, thirty three percent (33%) of the amount of each Individual Settlement Share to each Participating Class Member shall be allocated to their respective alleged unpaid wage claims and shall be paid net of all applicable employment taxes, including any federal, state, and/or local in issue tax withholding requirements and the employee share of FICA taxes. Sixty-Seven (67%) of the amount of each Individual Settlement Share to each Participating Class Member shall be allocated to alleged penalties and interest and shall not be subject to withholding. PAGA Payment will be allocated entirely as penalties and will be included on an IRS Form 1099 to each Eligible Aggrieved Employee. Each Participating Class Member, Eligible Aggrieved Employee, Class Counsel, and Class Representatives shall be responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the portion of any payment received. Neither Class Counsel nor Defendants' Counsel intend anything contained in this Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement.

This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering the Judgment.

5. What Do I Release Under the Settlement?

Released Class Claims.

(i) Released Class Claims. Providing there is final approval of this Settlement, then as of the Effective Date, each Participating Class Member, and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including but not limited to, their dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity (collectively, the "Releasing Parties") are fully and forever irrevocably releasing, in exchange for the consideration provided for by this Agreement, any and all causes of action, claims, rights, damages, punitive or statutory damages, penalties, liabilities, expenses, and losses arising from or related to the acts, facts, transactions, theories, occurrences, representations, or omissions set forth, or which were alleged or could have been alleged against any of the Released Parties arising out of, in connection with, or based on the facts alleged in the operative complaints in this Action through the date of Preliminary Approval, including but not limited to (a) any and all alleged failure by Defendants to pay wages, minimum wages, and overtime; (b) any and all alleged failure by Defendants to timely pay wages at termination (c) any and all alleged failure by Defendants to provide meal or rest periods premiums; (d) any and all alleged failure by Defendants to deposit wages at a place of business located in the state of California; (e) any and all alleged failure by Defendants to provide compliant wage statements; (f) any and all alleged failure by Defendants to reimburse business expenses; (g) any and all right or claim for civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 et seq., or any other penalties arising under the Labor Code or Wage Order arising from or related to the conduct alleged; (h) any and all right or claim for unfair business practices in violation of California Business & Professions Code § 17200 et seq. arising from or related to the conduct alleged; and (i) any and all violations or breaches of the California Labor Code arising from or related to the conduct alleged, including without limitation, Labor Code section 201, 202, 203, 212, 226, 226.7, 510, 512, 558, 1194, 1199, 2800, 2802, or any other state statute, rule and/or regulation, or similar causes of action arising from or relating to the conduct alleged or that could have been alleged.

Notwithstanding the above, the Parties understand and agree that the release in this Settlement does not apply to (i) those rights that as a matter of law cannot be released and/or waived, including, but not limited to, workers' compensation claims; (ii) rights or claims that may arise after the close of the Class Period; and (iii) rights or claims arising out of this Settlement.

This means that, if you do not timely exclude yourself from the Settlement, you cannot pursue a separate legal action, continue a separate legal action, or be part of any other lawsuit against Defendants and any other Released Party for the Released Claims resolved by this Settlement. It also means that all of the Court's orders in the Action will apply to you and legally bind you.

Released PAGA Claims.

(i) **Released PAGA Claims.** Providing there is final approval of this Settlement, then as of the Effective Date, this settlement forever bars Plaintiffs, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Period, from pursuing any action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in the operative complaint and Plaintiff's notice to the LWDA dated September 11, 2018. Eligible Aggrieved Employees will be deemed to have released any claims under PAGA whether or not they submit a valid Opt Out from the Class.

Released Parties.

The Released Parties herein means Defendants, their subsidiaries, acquired companies, parents, predecessors or successors in interest, and each of their respective past or present officers, directors, shareholders, employees, attorneys, agents, assigns, members, investors, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, parents, attorneys, and any individual or entity that could be jointly liable with any of the foregoing.

6. How much will my payment be?

Defendants' records reflect that you are a [Class Member and/or Eligible Aggrieved Employee]

Defendants' records reflect that you have << _____ >> pay periods worked during the Class Period (January 22, 2015 through the Preliminary Approval Date). The estimated Individual Settlement Share by pay period worked for Participating Class Members is << _____ >>.

Defendants' records reflect that you have << _____ >> pay periods during the PAGA Period (January 22, 2018 through the Preliminary Approval Date). The estimated individual proportional share by pay period worked for Eligible Aggrieved Employees is << _____ >>.

If you do not want to be part of the Class and Settlement's release of Released Claims, you must submit a written dispute regarding your pay periods to the Settlement Administrator at the following address, postmarked on or before December 20, 2021:

Based on this information, your estimated Individual Settlement Share is << _____ >>. Please note that because tax withholdings and payments must be made with respect to a portion of this gross amount, your net payment will be less than your gross share.

Based on this information, your estimated PAGA Payment share is << _____ >>.

If you believe that your pay periods during the Class Period or PAGA Period, as applicable, are not correct and believe you are entitled to payment based upon a different number of pay periods, then you must inform the Settlement Administrator in writing of the basis for contesting any of the assigned pay periods and timely submit any evidence that you may have to the Settlement Administrator that shows that he or she is entitled to payment based upon a different number of pay periods than the numbers calculated by the Settlement Administrator based on Defendants' data. Please be advised that the number of pay periods during the Class Period and/or PAGA Period, as applicable, listed above will be deemed correct unless you challenge the workweeks as stated above.

As this is not a claims-made Settlement, Class Members need not submit anything, Class Members shall still be bound by this Agreement and shall release all Released Claims unless they submit a completed, signed and timely Opt Out. If you submit a valid Opt Out, you will still be bound by the release of the PAGA Claims and you will receive your PAGA Payment share if you are an Eligible Aggrieved Employee.

7. What are my options in this matter?

You have two options under the Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Share; or (B) exclude yourself from the Class and Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not Opt Out from the Settlement, you will be subject to any judgment that is entered in the Action, including the release of the Released Claims, as applicable, as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Share and a PAGA Payment share (if applicable) under the Settlement, you do not need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims and/or release of PAGA claims, as applicable, as described above.

Any amount paid to Participating Class Members and/or Eligible Aggrieved Employees will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any collective bargaining agreement, employee pension benefit plan or employee welfare plan sponsored by Defendants and/or the Released Parties, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to the Settlement. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, or submit a written brief or statement of objection (“Objection”) to the Settlement Administrator at the following address:

Jose Rosales and Gloria Romero v. IDT America, Corp. Civil Actions Settlement
Phoenix Settlement Administrators
P.O. Box 7208, Orange, CA 92867

If you submit a written objection, the Objection must state: (a) the objecting person’s full name, address, and telephone number and the name and address of counsel, if any; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing; (f) signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing. This Objection must be postmarked on or before **December 20, 2021** and returned to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims and/or release of PAGA Claims, as applicable, as set forth above, unless the Settlement is not finally approved by the Court.**

OPTION B. If You Do Not Want To Be Part Of The Class And Be Bound By The Settlement and Released Rest Period Class Claims and/or Released Security Check Class Claims. If you do not want to be part of the Class and Settlement’s release of Released Claims, you must submit a written request to Opt Out from both (“Opt Out”) to the Settlement Administrator at the following address, postmarked on or before **December 20, 2021**:

Jose Rosales and Gloria Romero v. IDT America, Corp. Civil Actions Settlement
Phoenix Settlement Administrators
P.O. Box 7208, Orange, CA 92867

In order to be valid, your Opt Out must (a) state the Class Member's name, address, telephone number, and last four digits of the social security number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (d) be postmarked by the December 20, 2021 and returned to the Settlement Administrator at the address specified above. An Opt Out Form is included and provided to you in this Notice Package. If you do not submit a timely and valid Opt Out, you will be deemed a Participating Class Member and you will be bound by the release of Released Claims, as described above and all other terms of the Settlement. **If you timely submit a valid, signed Opt Out, you will still be bound by the release of the release of PAGA Claims and you will receive your PAGA Payment share if you are an Eligible Aggrieved Employee, but you will not be entitled to any Individual Settlement Share as a result of the Action and Settlement and you will not be bound to the Settlement's release of Released Claims. You cannot object to the Settlement if you submit an Opt Out.**

8. When and where will the Court decide whether to approve the Settlement?

The court has only preliminarily approved the Settlement. The Court will hold a fairness hearing to decide whether to finally approve the Settlement, as well as the amounts to be awarded as attorney's fees and costs to Class Counsel and as service awards to the Class Representatives. You may as the Court for permission to speak at the Final Approval Hearing, or submit a written objection in manner described in Section 7 above. Unless you have something to tell the Court, it is not necessary for you to appear at the Final Approval Hearing or submit anything. You cannot speak at the Final Approval Hearing, or object to the Settlement, if you exclude yourself from the Settlement.

Presently, the Final Approval Hearing is scheduled to be held in Department 7 of Los Angeles Superior Court, Spring Street Courthouse, located at 312 North Spring Street, CA 90012, on February 2, 2022 at 11:00 a.m. The date and location of the Final Approval Hearing may change. If you are interested in participating the Final Approval Hearing, you should confirm the date and location by contacting Class Counsel. You may appear and speak at the hearing if you want to do so, remotely or in-person. You can arrange for a remote appearance through the Los Angeles County Superior Court website at <https://www.lacourt.org/lacc/>

Any Class Member who does not object in the manner provided above shall be deemed to have approved the Settlement and to have waived any objections, and shall be forever foreclosed from objecting to the fairness or adequacy of the proposed Settlement, including the plan of distribution, the payment of attorneys' fees and costs, the Incentive Award to the Class Representative, the PAGA Payment, or any other aspect of the Settlement. If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment will be posted on a website created by the Settlement Administrator for this case for a period of at least 90 days following the entry of that Order in the Court record. That website is: <http://www.phoenixclassaction.com/>.

9. How do I get more information about the Settlement?

You may call the Settlement Administrator at (800) 523-5773 or write to *Jose Rosales and Gloria Romero v. IDT America, Corp.* Civil Actions Settlement, c/o Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863; or contact Class Counsel at (562) 590-5550.

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by contacting Class Counsel.

You must inform the Settlement Administrator of any change of address to ensure receipt of your Individual Settlement Share and PAGA Payment share if applicable.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.