

IMPORTANT NOTIFICATION TO POTENTIAL SETTLEMENT CLASS MEMBERS

TO: CERTAIN SALES REPRESENTATIVES WHO ARE OR WERE EMPLOYED BY LIBERTY MUTUAL GROUP, INC. (“LIBERTY MUTUAL”)

YOU ARE RECEIVING A COPY OF THIS NOTICE BECAUSE YOU ARE A MEMBER OF THE SETTLEMENT CLASS.

Please read this notice carefully and in its entirety. The Los Angeles County Superior Court has authorized this notice. This is not a solicitation.

This notice concerns a class action settlement that is relevant to you because of your employment as a Liberty Mutual Sales Representative.

If you do not exclude yourself from this settlement, your anticipated minimum allocation of the settlement is \$«MERGED_EstSettAmnt_CALC».

IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PAYMENT.

ACCORDING TO COMPANY RECORDS, YOU WORKED AS A LIBERTY MUTUAL SALES REPRESENTATIVE IN CALIFORNIA DURING THE CLASS PERIOD.

- The settlement will provide \$157,500 in settlement of the claims of current and former Sales Representatives who worked for Liberty Mutual in California at any time during the period of June 20, 2013 to June 2, 2021.
- The settlement resolves claims of certain Liberty Mutual Sales Representatives who are included in this lawsuit, which alleged causes of action against Liberty Mutual for failure to provide reimbursements under Labor Code Section 2802, violation of reporting time pay under Wage Order 4, failure to furnish timely and accurate wage statements under Labor Code Section 226, waiting time penalties under Labor Code Section 203, and violation of California’s Unfair Competition Law.
- Liberty Mutual denies that it is liable for any of the claims. However, in light of the risk and expense of proceeding to trial, both Liberty Mutual and Class Counsel for the Plaintiffs believe that this is a fair settlement of the Sales Representatives’ claims.

YOUR OPTIONS AND LEGAL RIGHTS IN THIS SETTLEMENT	
TAKE NO ACTION AND RECEIVE A SETTLEMENT PAYMENT	If you take no action, you will receive a settlement payment approximately equal to the “minimum allocation” stated above, assuming that the Court approves the settlement. The minimum allocation is based on the number of months during the Class Period that you worked as a Sales Representative and were not provided with a company-issued cell phone. If you do not exclude yourself from the settlement, you will release Liberty Mutual from liability for any claims you may have during the Class Period relating to reimbursement of business expenses.
EXCLUDE YOURSELF	If you affirmatively write to exclude yourself (<i>i.e.</i> , “opt out” of the case), you will receive no payment from this settlement. However, you would be free to pursue your claims separately against Liberty Mutual. The steps to exclude yourself are explained below.
OBJECT	If you wish to challenge the terms of the settlement, you must timely file an objection with the Court, setting forth the reasons why you oppose the settlement. You may also appear in Court and explain why you do not like the settlement, or you may hire an attorney to appear for you. If you object, this does not mean you opt out of the class and you will still be bound by the Settlement.

BASIC INFORMATION

1. Why did I get this notice package?

You have received this notice because Liberty Mutual's records indicate that you worked as a Sales Representative in California within the relevant time frame and that, for at least one of the months you were employed, you were not provided with a company-issued cell phone. You therefore qualify as a member of the Settlement Class. This notice is designed to advise you of how you can participate in this settlement or how to be excluded from the settlement if that is your preference.

You received this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it, and after all objections and appeals, if any, are resolved, an administrator appointed by the Court will make the payments that the settlement requires.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

DO NOT CONTACT THE COURT DIRECTLY WITH QUESTIONS. THE COURT WILL NOT ANSWER ANY OF YOUR QUESTIONS. If you have questions, you can contact Class Counsel or the Settlement Administrator using the contact information provided below.

2. What is the lawsuit about?

This proposed settlement is intended to resolve a potential class action lawsuit, (*Chetera Watson. v Liberty Mutual Group, Inc.* (Case No. BC665695) filed and in Superior Court of the State of California, County of Los Angeles on June 20, 2017 against Liberty Mutual pending, on behalf of all Sales Representatives who were employed within California at any time from June 20, 2013 through June 2, 2021.

Plaintiffs contend that, during the period from June 20, 2013 – June 2, 2021, as it relates to the Sales Representatives, Liberty Mutual failed to provide reimbursements under Labor Code Section 2802. Liberty Mutual contends that the claims in this lawsuit are without merit, and disputes all claims for damages and other relief. Liberty Mutual also contends that, if the case had proceeded in litigation, Plaintiffs' claims would not be appropriate for class certification. The claims at issue have been subject to vigorous litigation in this and related lawsuits. The Parties have assessed the relative merits of Plaintiffs' claims and Liberty Mutual's defenses to those claims.

Class Counsel believe that further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. No one can confidently predict how the various legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Class Counsel believe that the proposed settlement is fair, reasonable and adequate.

The Parties have since entered into a Class Action Settlement Agreement which has been granted preliminary approval by the Court. The Agreement provides for provisional certification of the Settlement Class for purposes of this settlement, and the appointment of Chetera Watson as Class Representative.

3. What is a class action?

In a class action, a class representative or representatives (in this case Chetera Watson), sue on behalf of people who have similar claims. The Court will resolve the issues for all the potential Settlement Class Members, except for those who exclude themselves from the class.

4. Why is there a settlement?

The Court did not issue a judgment in favor of Plaintiffs or Defendant. Instead, the Parties reached a negotiated settlement, which avoids the uncertainties and delays associated with further litigation and which compensates the Settlement Class Members sooner, rather than either later or never at all. The Class Representatives and their attorneys believe that this settlement is in the best interests of all Settlement Class Members.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the settlement?

Everyone who fits the following description is a Settlement Class Member (“Settlement Class Member”):

All non-exempt employees who worked for Defendant Liberty Mutual Group Inc. as a Sales Representative in California on or after June 20, 2013 through the date of preliminary approval of this Settlement and, for at least one month during that that time, did not have a Company-issued cell phone provided to them.

If you received this Notice, Liberty Mutual’s records indicate that you are part of the class. If you have questions about whether you qualify, you may contact Class Counsel or the Settlement Administrator using the contact information provided below.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide?

Liberty Mutual has agreed to create a fund of \$157,500 to be divided among all persons who participate in the settlement, and also to be used to pay for Plaintiffs’ attorneys’ fees and costs, a service payment to the Class Representative Chetera Watson, and other costs and payments made pursuant to this settlement, as described below.

The Class Representative and Class Counsel support this settlement. Among the reasons given for support include the inherent risk of trial on the merits, and the delays associated with litigation.

The settlement provides for the following:

A. Authorized Claimant Defined: “Authorized Claimant” means anyone who (i) was employed by Liberty Mutual as a Sales Representative in the State of California at any time during the Class Period and who was not provided a company-issued cell phone; and (ii) does not exclude himself or herself from the settlement.

B. Settlement Formula: The total settlement to be paid by Liberty Mutual will be \$157,500 (the “Gross Settlement Amount”).

The Net Settlement Amount shall be calculated by subtracting the amounts for Attorney’s Fees and Costs, Class Representative service award and cost of Settlement Administration.

The Settlement Administrator will calculate the Individual Settlement Payment due to each Authorized Claimant by calculating each individual Authorized Claimant’s share of the Net Settlement Amount based upon his or her individual work months during the Class Period during which he/she was not provided a company-issued cell phone.

C. Release: Each Participating Class Member (*i.e.*, Settlement Class Member who does not timely exclude himself or herself from the settlement by completing the enclosed Request for Exclusion Form as detailed below) will release Liberty Mutual and all related or affiliated entities from any and all claims as discussed below. If you do not submit a Request for Exclusion, and simply do not respond, you will have released any and all claims based on the allegations in the lawsuit.

D. Class Representative: The Class Representative shall be Chetera Watson. The Class Representative will apply to the Court for a service award in such amount as the Court determines to be fair and reasonable, at the time of the Final Approval Hearing. The parties’ Settlement Agreement proposes a payment of \$7,500. Class Counsel considers this amount to be fair, reasonable and adequate given the time expended by the Class Representatives and their agreement to release all claims against Liberty Mutual.

E. Attorneys’ Fees and Costs: Plaintiffs’ attorneys’ fees shall not exceed one third (33 1/3%) of the settlement amount (\$52,500). In addition, the attorneys for the class will seek to be paid for all costs and expenses incurred by Class Counsel in prosecuting this action, not to exceed \$5,000.

F. Costs of Settlement Administration: In addition, the attorneys for the class will seek costs of settlement administration, estimated as \$7,250 to be paid to the third-party settlement administrator, Phoenix Settlement Administrators.

7. How much will my payment be?

Your minimum share of the fund is listed on the first page of this Notice. Based on the records and data analyzed, it is expected that you will receive approximately \$«XXXX», because you worked «XXX» work months during the Class Period.

The settlement amount you receive shall be paid to you with an IRS Form 1099. You alone are responsible to pay any appropriate taxes on the latter amount.

8. How can I get a payment?

If you do nothing regarding this notice, you will receive a payment as determined by the Settlement Administrator. In addition, you will be bound by the terms of the settlement and you will be waiving any wage and hour claims you may have against Liberty Mutual which are related to the allegations in this lawsuit.

9. When would I get my payment?

The Court will hold a hearing on April 7, 2022 at 11:00 a.m. to decide whether to finally approve the settlement. The location will be the Complex Civil West Division of the Los Angeles Superior Court, 312 Spring Street, Los Angeles, CA 90012, Department 14. If the Court approves the settlement at the hearing and there are no appeals, payments will be made after the hearing pursuant to the time frames set forth in the Settlement Agreement. It is also possible that the date of the hearing may change, which would also affect the date of the settlement payment.

10. What am I giving up to get a payment?

As a member of the Class and a Class Representative, you cannot sue, continue to sue, or be part of any other lawsuit against Liberty Mutual about the reimbursement claims covered by this settlement. As such, all of the Court's orders will apply to you and legally bind you.

In exchange for the right to receive the payments set forth above, and subject to Court approval, as a putative Settlement Class Member, you will be deemed to have released all claims, actions, demands, causes of action, suits, debts, obligations, damages, restitution, penalties, rights, liabilities, or legal theories of relief, of any nature and description whatsoever under state or federal wage and hour law arising out of or related to any factual or legal theory that was alleged in relation to A) Plaintiff's claims for Failure to Indemnify/Reimburse Necessary Expenses Incurred in the Discharge of Work Duties ("Labor Code § 2802" claims); and B) all additional claims as alleged in the Operative Amended Complaint, solely as they relate to and are derivative of Plaintiff's Labor Code § 2802 claims, including: (1) Violation of Reporting Time Pay (IWC Wage Order 4(5)(B)); (2) Failure to Furnish Timely and Accurate Wage Statements (Labor Code § 226); (3) "Waiting Time Penalties" (Labor Code § 203); (4) Violation of California's Unfair Competition Law (Bus. & Prof. Code §§ 17200-17208), and (5) all damages, penalties, interest, and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code as to the facts alleged in the Operative Amended Complaint, the applicable Wage Orders as to the facts alleged in the Operative Amended Complaint, and the California Unfair Competition Law.

You can review the exact language of your release by reviewing the Settlement Agreement online, at the web address listed in the "Getting More Information" section of this Notice, below.

11. What if I believe I am not being credited for the right number of months?

Any Settlement Class Member who disputes the information shown on his or her Notice of Settlement regarding the total number of work days may indicate and explain such disagreement under penalty of perjury no later than 45 days after this notice was mailed to you (November 8, 2021), by notifying the Settlement Administrator pursuant to the procedures set forth herein. Any such Settlement Class Member must submit documentation relating to his or her dispute to the Settlement Administrator, who shall notify Liberty Mutual's Counsel and Class Counsel of any such dispute no later than five (5) days after receiving notice of the dispute. In the case of a dispute, Liberty Mutual's records shall control and will have a rebuttable presumption of correctness. For any dispute that arises, counsel for the Parties will attempt to resolve the dispute and, if unable to do so, will ask the Court to resolve the dispute.

12. How do I get out of the settlement?

Liberty Mutual supports the settlement and encourages all eligible Settlement Class Members who wish to do so to participate in the settlement. However, if you do not want a payment from this settlement and/or you want to keep the right to pursue claims (or continue to pursue claims) against Liberty Mutual on your own regarding the legal issues in this case, then you must exclude yourself from the settlement. To exclude yourself from the settlement, you must submit the Request for Exclusion Form that is included with this Notice no later than **December 23, 2021**. Alternatively, you may submit a written request to exclude yourself from the settlement no later than **December 23, 2021**. The written request for exclusion must be signed by you; contain your name, address, and the last four digits of your Social Security number; and must contain a typewritten or handwritten notice stating in clear and unambiguous terms that you wish to exclude yourself from the Settlement of the class action lawsuit *Chetera Watson v. Liberty Mutual Group Inc.*, Los Angeles Superior Court Case No. BC665695, filed in the Superior Court of California, County of Los Angeles and you understand that by requesting to be excluded from the Settlement, you will receive no money from the settlement.

If you ask to be excluded, you will not get any settlement payments of any kind in this case and you cannot object to the settlement. You will not be legally bound by anything that happens in the lawsuit. You will be able to pursue claims (or continue to pursue claims) against Liberty Mutual for the reimbursement and related claims at issue in this case in the future. If you have a pending claim or lawsuit, speak to your lawyer in that case immediately. You may need to exclude yourself from this Class to continue your own claim or lawsuit.

13. What happens if I do nothing?

If you do nothing regarding this notice, you will receive a payment as determined by the Settlement Administrator. In addition, you will be bound by the terms of the settlement and you will be waiving any wage and hour claims you may have against Liberty Mutual which are related to the allegations in this lawsuit.

THE LAWYERS REPRESENTING THE CLASS

14. Do I have a lawyer in this case?

The law firm of Employee Law Group represents the Class. The lawyers at this firm are called Class Counsel. These lawyers will be paid from the settlement amount, so you will not be charged personally for these lawyers' work on this case and in negotiating this settlement. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers and Class Representative Plaintiffs be paid?

Class Counsel will ask the Court to approve the payment of up to one-third of the settlement amount for attorneys' fees (*i.e.*, up to \$52,500), as well as reasonable costs, associated with investigating the facts, litigating the case, and negotiating the settlement, up to \$5,000. A payment of \$7,500 will be made to the Class Representative for her work in bringing the lawsuit and participation in prosecuting this lawsuit.

The Court may award less than these amounts. Liberty Mutual has agreed not to oppose Class Counsel's request for fees and expenses. If the Court awards less than the amounts described in this section, that money will be redistributed to the Authorized Claimants. None of the money would revert to Liberty Mutual. Class Counsel will file their Motion for Attorneys' Fees no later than March 15, 2022. If you wish to object to that Motion, you must do so no later than **December 23, 2021**, following the same procedures as for objecting to the settlement, described below. The Motion for Attorneys' Fees will be available online at <http://www.phoenixclassaction.com/> once it is filed.

OBJECTING TO THE SETTLEMENT

16. How can I tell the Court if I object to all or some of the settlement terms?

If you are a Settlement Class Member, you can object to the settlement if you wish to challenge any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. Please note, however, that the Court cannot order a larger settlement; the Court can only approve or deny the settlement as it is presented. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. To object, you must either send a letter saying that you object to the settlement or appear in court (may be telephonically – See Questions 18 and 19). If you are objecting by letter, be sure to include this case name and case number in your letter, which are set forth on the first page of this Notice. Be sure to also include your name, address, telephone number, your signature, and the reasons you object to the settlement. You must email or mail any objection to the claims administrator, postmarked no later than **December 23, 2021**, at the following mailing or email address:

Watson v. Liberty Mutual Group
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Email: notice @phoenixclassaction.com

17. What's the difference between objecting, on the one hand, and excluding myself (*i.e.*, "opting-out") from the settlement, on the other?

Objecting is simply telling the Court that you wish to challenge all or part of the settlement. You can object only if you stay in the Class. Excluding yourself from the settlement or "opting out" is telling the Court that you do not want to be part of the Class or receive any payment at all from the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL FAIRNESS HEARING

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing at April 7, 2022 at 11:00 a.m., at 312 North Spring Street, Los Angeles, CA 90012.

At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the settlement. Please note that the hearing may be postponed without further notice to the Class. Thus, if you plan to attend the hearing, you should check the website <http://www.lacourt.org/casesummary/ui/index.aspx> at or contact the Settlement Administrator or Class Counsel.

19. Do I have to come to the hearing?

No. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

You may also appear via telephone or video link, subject to the rules of the Court and state regulations concerning COVID-19 or any other public health emergency.

GETTING MORE INFORMATION

20. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement signed by the Parties. If there is any conflict between this notice and the Settlement Agreement, the Settlement Agreement will control. You can view a copy of the Settlement Agreement and other key documents in this case at the following web address: <http://www.phoenixclassaction.com/>.

Updates on the Final Approval Hearing, including any postponement or rules regarding telephone or video appearances, will be available at that website.

Notice of Final Approval of the Settlement, if granted, will also be posted on the website.

21. How do I get more information?

You can call Phoenix Settlement Administrators at (800) 523-5773 toll free, write to:

Watson v. Liberty Mutual Group
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Email: notice @phoenixclassaction.com

You may also contact Class Counsel below:

Employee Law Group
21250 Hawthorne Blvd. Ste. 700
Torrance, CA 90503
Phone: (310) 606-0065
Fax: (310) 606-0064

DO NOT CALL THE COURT

THIS NOTICE AND ITS CONTENTS HAVE BEEN AUTHORIZED BY THE LOS ANGELES COUNTY SUPERIOR COURT, CENTRAL CIVIL WEST DIVISION