SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES (SPRING STREET)

ROBYN JAMES and TIFFANY BELLE individually and on behalf of all employees similarly situated, CASE NO. BC525388

NOTICE OF CLASS ACTION SETTLEMENT

Plaintiff,

v.

AMERICAN CORPORATE SECURITY, INC., a California corporation, and DOES 1 through 50, inclusive,

Defendant.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

YOU MAY BE ENTITLED TO MONEY UNDER THIS SETTLEMENT.

TO RECEIVE MONEY UNDER THIS SETTLEMENT, YOU MUST SIGN AND RETURN THE

ENCLOSED CLAIM FORM WITH A POSTMARK DATE ON OR BEFORE

JANUARY 6, 2020.

Notice is hereby given that a proposed settlement (the "Settlement") of the class action lawsuit filed on October 23, 2013, in the Los Angeles County Superior Court, entitled <u>Robyn James and Tiffany Belle v. American Corporate Security, Inc.</u>, Case No. BC 525388 has been reached by the Plaintiffs and Defendant and has been granted preliminary approval by the Los Angeles Superior Court.

The proposed Settlement will resolve all claims against AMERICAN CORPORATE SECURITY, INC. ("ACS") in the above-captioned lawsuit. A hearing addressing the fairness, adequacy and reasonableness of the Settlement will be held on February 5, 2020 to determine whether the settlement should receive the Court's final approval. Because your rights may be affected, it is extremely important that you read this Notice carefully. You must file a claim by January 6, 2020 to participate in the Settlement. If you fail to file a valid and timely claim, you will receive nothing under the Settlement, but unless you exclude yourself from the Settlement, you will still be bound by the terms of this Settlement.

A. PURPOSE OF THIS NOTICE

The Los Angeles County Superior Court has ordered that this Notice be sent to you because you have been identified as a potential member of the settlement class. The settlement class ("Settlement Class") is defined as all current and former hourly-paid non-event security guard employees of ACS who worked in California at any time from October 23, 2012 through December 31, 2018, excluding security guard employees hired between July 1, 2018 and December 31, 2018.

Receipt of this Notice means that you may be entitled to share in the proceeds from the proposed Settlement if you submit a timely and valid Claim Form.

The purpose of this Notice is to: (a) provide a brief description of this lawsuit; (b) inform you of the proposed Settlement; and (c) discuss your rights and options with respect to the lawsuit and the Settlement.

B. DESCRIPTION OF THE LAWSUIT

The Complaint was filed on October 23, 2013, in the Los Angeles County Superior Court. Throughout the Litigation, Plaintiffs sought damages, penalties and related recovery for allegations for (1) Failure to Pay Wages Including Overtime; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Provide Accurate Itemized Wage Statements; (5) Failure to Pay Wages upon Ending Employment; (6) Violation of Business and Professions Code § 17200 et seq. (Unfair Competition Law); and (7) Violation of Labor Code § 2698, et seq., the Private Attorneys General Act of 2004. Specifically, Plaintiffs allege that Defendants failed to compensate hourly paid security guard employees for all hours worked, including overtime hours, failed to provide off-duty meal and rest breaks, failed to comply with final pay requirements with respect to employees who were terminated or resigned, failed to provide accurate and complete itemized wage statements, and engaged in unfair business practices on account of such actions. Plaintiffs further allege these Labor Code violations entitled Plaintiffs and aggrieved employees' recovery of civil penalties under the Private Attorneys General Act. ACS denies each of the allegations asserted in the Litigation and asserts that it has no liability for the claims of Plaintiffs or the Class.

The Los Angeles County Superior Court has made no ruling on the merits of Plaintiffs claims or Defendants' defenses.

Attorneys for the settlement class ("Class Counsel") in this lawsuit are:

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C. YOUR OPTIONS

If you fit the above description of the Settlement Class, you have several options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below.

1. You Can Submit a CLAIM FORM and Receive Money Under the Settlement.

If you want to receive benefits under the Settlement, you must sign and return a Claim Form to the Settlement Administrator at the address below either (1) by First Class mail, or (2) by fax to (949)209-2503, or (3) via email to classmember@Phoenixclassaction.com postmarked, faxed or emailed no later than January 6, 2020. The Settlement Agreement, Claim Form and Opt-Out Form are available for you to review and download at www.phoenixclassaction.com/JamesvACS. You may use the enclosed postage paid return envelope to submit your claim form, however, it is recommended that you retain a receipt of your mailing or fax, or that you call the claims Settlement Administrator before the claim filing deadline to confirm they have received your claim or exclusion form.

The Class Action Administrator is:

Phoenix Class Action Administration P.O. Box 7208 Orange, CA 92863 Tel: (800) 523-5773 Fax: (949) 209-2503 Email: Classmember@Phoenixclassaction.com Website: www.phoenixclassaction.com/JamesvACS

A copy of your Claim Form is attached to this Notice. If you need another copy, contact the Class Action Administrator. If any information on the Claim Form is incorrect, please state on the Claim Form what you believe is the correct information. Any settlement class member who does not timely submit a signed Claim Form, properly completed, will not receive any payments under the Settlement and his or her claim will be barred.

If you have questions, contact the Class Action Administrator at 800-523-5773

2. You Can Do Nothing and Receive No Payment from the Settlement.

If you do nothing - that is, you do not send a timely and properly completed and signed Claim Form - you will not receive any benefits under the Settlement. However, you will be bound by the terms of the Settlement Agreement, including the release of claims, even though you did not receive any money or benefits from the Settlement. Therefore, you will not have the right to pursue your own claims, if any, against ACS if you do nothing.

3. You Can Opt Out of the Class.

If you do not want to remain a member of the settlement class, you can request exclusion from the settlement class (i.e., opt out) by sending the Class Action Administrator by mail, fax or email on or before January 6, 2020, a timely and properly completed and signed Exclusion Form, a copy of which is attached to this Notice. The Exclusion Form must include your name, former names (if any), current address, telephone number, and Social Security number. Requests for exclusion that do not include all required information, or that are not postmarked before the deadline, will be deemed null, void, and ineffective. If you opt out of the class, you will no longer be a member of the Settlement Class, you will not receive any benefits under this settlement, and you will be barred from objecting to this Settlement. By opting out of the class, you will retain whatever rights or claims you may have, if any, against ACS and you will be free to pursue them on an individual basis, if you choose to do so. If you do not opt out of the class, any judgment entered in this case will be binding, whether favorable or not.

4. You Can Object to the Settlement.

If you are a settlement class member who does not opt out of the class, you may object to the Settlement by sending your written objection with the Settlement Administrator who will provide a copy to the attorneys and to the Court, in which you must state the basis of your objection, along with any papers and briefs in support of your positing and verifying your membership in the Class. All objections should be signed and should contain your address, telephone number, and the name of the case: *James et al. v. American Corporate Security, Inc.* All objections must be postmarked, faxed or emailed to the Class Action Administrator on or before January 20, 2020. Even if you do not submit a timely written objection, you may appear, personally or through an attorney, at your own expense, at the Final Fairness and Approval Hearing to present your object to the Settlement and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as a settlement class member who does not object. You must file a Claim Form along with your statement of objection, but you may not submit a request for exclusion from the settlement if you intend to object to the Settlement.

D. SUMMARY OF TERMS OF SETTLEMENT AGREEMENT

The principal terms of the Settlement Agreement are summarized in this Notice. If you have any questions about the Settlement Agreement, please contact Class Counsel at the address or telephone number provided above.

1. Settlement Payment.

The Settlement Agreement provides that (1) Defendant will stipulate to the certification of a class for settlement purposes only; (2) Defendant will pay an amount not to exceed four hundred fifty thousand dollars (\$450,000.00) (referred to as the "Gross Settlement Amount"), pursuant to valid and timely Claim Forms submitted to the Class Action Administrator; (3) Class Representatives Robyn James and Tiffany Belle will apply for approval from the Court to receive a service payment of fifteen thousand dollars each (\$15,000; total \$30,000) for services they rendered to the Class, which will be deducted from the Gross Settlement Amount; (4) the Class Action Administrator's fees will be paid out of the Gross Settlement Sum and are estimated to be \$7,100.00; (5) \$2,500 will be allocated to the Private Attorneys General Act claims of which \$1,875.00 will be paid to the California Labor and Workforce Development Agency and \$625.00 will remain in the Net Settlement Amount; and (6) settlement class members who file a valid and timely Claim Forms ("Claimants") will be paid out of the Net Settlement Amount ("NSA") which are the funds remaining from the \$\$450,000.00 after deduction of the Class Action Administrator fees, Plaintiffs' counsels' attorney's fees and costs, Plaintiffs' service payment and payment to the Labor and Workforce Development Agency ("LWDA") for resolution of the Private Attorneys' General Act claims, with each Authorized Claimant compensated according to the number of workweeks he or she worked from October 23, 2012 through, and including, December 31, 2018 ("Class Period"). All attorneys' fees and costs must be requested and awarded by the Court to Class Counsel and will be paid out of the Gross Settlement Amount. Class Counsel is seeking the Court to award \$149,985.00 in attorneys' fees and up to \$145,000.00 in costs.

(i) <u>Plan of Distribution</u>. After the deductions from the Gross Settlement Amount described above, each settlement class member who submits a valid and timely Claim Form ("Claimant") will receive a settlement payment, in satisfaction of any claim asserted in the Complaint. The value of a Claimant's claim shall be determined based on the number of workweeks worked by the Claimant during the Class Period. The amount of the Net Settlement Sum will be determined by subtracting the amount of attorney's fees and costs awarded by the Court to Class Counsel, the Service Payment awarded by the Court to the Class Representative, payment allocated to the LWDA and the costs of Settlement Administration. There will be a weekly rate established based on the total workweeks of Claimants divided into the total NSA. The weekly rate may be increased based on the total number of Class Members who submit valid and timely claim forms. If less than 100% of the Class Members file claims, the weekly rate will increase and any amount on a pro rata basis and be paid to Claimants. The entire amount of the NSA will be distributed to Claimants

2. Settlement Payments

Settlement Payments will be mailed will be mailed approximately 14 days from the date that the Court grants Final Approval of the Settlement. If any objection to the settlement is filed, there may be significant delays in the mailing of the settlement payments. The expiration date on each of the settlement checks will be one hundred eighty (180) days from the date the settlement check is mailed. If a settlement check is not cashed within 180 days from the date it is issued, the check will be voided and tendered to Bet Tzedek, Economic Justice program which is a charitable program that provides legal assistance to low-wage workers. If your settlement check is lost or misplaced, please contact the Class Action Administrator.

The Settlement Payment to each Class Member shall be allocated as follows: 10% shall be attributed to taxable wages, from which employee payroll taxes will be withheld and to be reported on a W-2 form; and 90% shall be attributed to penalties and interest, to be reported on a 1099 form.

(ii) <u>Settlement Class Members Tax Matters.</u> Settlement class member should consult with their tax advisors concerning the tax consequences of the payment they receive. No provision of this Settlement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended).

3. Release.

The Settlement Agreement provides that each settlement class member fully discharges and releases Defendant American Corporate Security, Inc. ("ACS"), and their present and former parent companies, subsidiaries, related or affiliated companies, and their respective present and former officers, directors, members, managers, shareholders, agents, employees, attorneys, insurers, co-insurers, predecessors, successors, assigns, and any individual or entity that could be jointly liable with Defendants ("Released Parties") all claims against ACS that have been asserted in the operative complaint, or which could have been asserted in the complaints filed in this action based on the same facts and circumstances as alleged in the operative complaint including, failure to pay wages (regular, overtime, and inclusive of tips), the failure to pay wages upon termination, failure to timely pay wages during employment, the failure to provide meal periods, the failure to provide rest breaks, the failure to maintain or provide accurate itemized wage statements, the failure to maintain records, unlawful deduction of wages, failure to reimburse business expenditures, Business and Professions Code § 17200 et seq., liquidated damages, waiting-time penalties, and penalties under the Labor Code Private Attorneys General Act of 2004 during the time in which they worked for ACS between October 23, 2012 and December 31, 2018. This release will be as to the released Parties which shall mean Defendant, including its past and present divisions, affiliates, affiliated entities, related entities, parents, subsidiaries, predecessors, successors, assigns, and their respective shareholders, owners, officers, directors, employees, agents, trustees, attorneys, insurers, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, and privies. (Collectively the "Released Parties" and each a "Released Party" or "Releasee").

E. FAIRNESS HEARING ON PROPOSED SETTLEMENT

You are not required to attend the Final Fairness and Approval Hearing ("Fairness Hearing") or file an objection, although you may do both. The Fairness Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, and Class Counsel's request for attorneys' fees and costs will be held on February 5, 2020 at 11:00 a.m. in Department "7" of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012.

If you have questions, contact the Class Action Administrator at 800-523-5773

The Fairness Hearing may be continued to another date without further notice. If you plan to attend the Fairness Hearing, you may contact the Settlement Administrator to confirm the date and time. The final judgment in this case will be available for review and download www.phoenixclassaction.com/JamesvACS following entry of the judgment by the Court.

F. ADDITIONAL INFORMATION.

This Notice only summarizes the lawsuit, the Settlement Agreement and related matters. For more information, you may contact Plaintiff's counsel or the Settlement Administrator to obtain copies of any documents in this case. Any questions regarding this Notice or lawsuit may be sent to the Settlement Administrator at the above address and telephone number. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address and telephone number set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE