

*A Court authorized this Notice. This is not a solicitation from an attorney.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected whether you act or do not act.*

NOTICE OF CLASS ACTION SETTLEMENT AND RELEASE OF CLAIMS

To: All current and former non-exempt Security Officers employed by Defendants Salem & Biddle, Inc. dba Security First and Sayfe A. Salem (“Security First” or “Defendants”) in the state of California who worked more than twenty-five (25) calendar days during the period of February 27, 2015 through September 19, 2019.

IF YOU ARE A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE A PAYMENT FROM THIS CLASS ACTION SETTLEMENT **WITHOUT THE NEED TO RETURN A CLAIM FORM**, SO LONG AS THE ADMINISTRATOR HAS A CURRENT MAILING ADDRESS ON FILE FOR YOU.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	To receive your Individual Settlement Payment, you do not need to do anything. Your payment will be automatically mailed to you after the Court grants final approval to the Settlement. <u>NOTE:</u> You must, however, keep a current address on file with the Settlement Administrator to ensure receipt of your check.
CHANGE CONTACT AND ADDRESS INFORMATION	Update your personal information to ensure your check is mailed to the correct address. To correct or update your address contact the Settlement Administrator at (800) 523-5773 or at notice@phoenixclassaction.com to correct or update your address. Alternatively, you may use the Change of Address form enclosed with this Notice.
EXCLUDE YOURSELF	You may exclude yourself from, or opt-out of, the Settlement if you do not wish to participate in the Settlement. If you exclude yourself, you will not receive any payment under the Settlement. This is the only option that allows you to keep open the possibility of pursuing claims against Security First for the same wrongs alleged in this case.
OBJECT	Write to the Court if you think the Settlement is not fair. You may also ask to speak in Court about why you think the Settlement is not fair. <u>NOTE:</u> If you ask to exclude yourself from the Settlement, you cannot also object to the Settlement.

- **YOUR RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.**
- **SECURITY FIRST WILL NOT RETALIATE IN ANY MANNER AGAINST ANY CLASS MEMBER RELATED TO THIS ACTION.**

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BASIC INFORMATION

1. Why did I get this Notice?

You received this Notice because Security First's records identify you as a non-exempt Security Officer employed by Security First in the state of California who worked more than twenty-five (25) calendar days during the period of February 27, 2015 through September 19, 2019. The purpose of this Notice is to explain the Lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Superior Court of the State of California, County of San Diego, and the case is known as *Ivan Villalobos v. Salem & Biddle, Inc. dba Security First et al.*, Case No. 37-2019-00010804-CU-OE-CTL. The judge currently presiding over the lawsuit is the Honorable Richard E. Strauss, in department C-75.

2. What is this Lawsuit about?

A lawsuit was filed on February 26, 2019 by Plaintiff Ivan Villalobos (“Plaintiff”). Plaintiff claimed in this lawsuit that all non-exempt Security Officers employed by Security First in California during the relevant time period were not paid minimum wages or overtime compensation for all time worked, were not provided legally compliant meal and rest periods or compensation in lieu thereof, were not reimbursed for necessary work expenses, were subject to unlawful deduction of wages, were not paid all wages owed upon discharge/termination, were not provided with accurate itemized wage statements and that their records were not properly maintained by Security First. Based on these allegations, Plaintiff also sought damages under California’s Unfair Competition Law for unfair business practices and civil penalties pursuant to the Private Attorneys General Act of 2004.

Security First has denied each of the claims asserted and any and all liability arising out of the conduct alleged in the action. The Settlement is not an admission of any wrongdoing by Security First or an indication that any law was violated.

3. Who are the Parties in this Lawsuit?

Plaintiff Ivan Villalobos (“Plaintiff”) was employed by Security First from approximately May 31, 2018 through October 21, 2019 as an unarmed security officer.

Defendant Salem & Biddle, Inc. dba Security First is a California corporation that provides security services in San Diego County and the surrounding areas.

Defendant Sayfe A. Salem is the owner, Chief Executive Officer, and President of Salem & Biddle, Inc.

4. Why is this a class action?

In class and representative actions, a Class Representative (in this case, Ivan Villalobos) sues on behalf of him/herself and other people who he/she alleges have similar claims. The group of people with allegedly similar claims is called a “Class.” Each person receiving this notice is a “Class Member” for purposes of this Settlement. If a court certifies (or approves) a class, that court resolves the issues for all Class Members except for those who exclude themselves from the Class and this Settlement. In this Lawsuit, there are an estimated 900 members in the Class.

5. Why is there a Settlement?

The Court did not decide in favor of Plaintiff Ivan Villalobos or Security First. There was no trial. Instead, both sides agreed to a no-fault settlement of the Action (“Settlement”). That way, they avoid the cost and risks of a trial and the Class Members will get compensation from the Settlement. Plaintiff Ivan Villalobos, the appointed Class Representative, and his attorneys think the Settlement is fair, adequate and reasonable for all Class Members.

6. Who are the attorneys for the Parties?

Counsel for Plaintiff and the Class:

CLARK LAW GROUP

R. Craig Clark
Alicja Urtnowski
3258 Fourth Avenue
San Diego, California 92103
Telephone: (619) 239-1321
Email: information@clarklawyers.com

UNITED EMPLOYEES LAW GROUP

Walter Haines
5500 Bolsa Ave., Suite 201
Huntington Beach, California 92649
Telephone: (562) 256-1047

Counsel for Defendants:

Berger, Williams & Reynolds, LLP

Harvey C. Berger
Sara Waller
401 B Street, Ste. 2000
San Diego, California 92101
Telephone: (619) 234-1222

If you have questions regarding this Settlement, you should contact Counsel for Plaintiff and the Class or the Settlement Administrator. Do NOT contact Security First, its attorneys, supervisors, or managers.

7. Who is the Settlement Administrator?

The Settlement Administrator, Phoenix Settlement Administrators, is a neutral third-party appointed by the Court to administer the Settlement in accordance with the Court's Orders and the terms of the Settlement Agreement.

For purposes of this Settlement, the Settlement Administrator has set up the following, mailing address, telephone number, email address and website.

Ivan Villalobos v. Salem & Biddle, Inc. et al.
Class Action Administrator
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Email: notice@phoenixclassaction.com
Website: www.phoenixclassaction.com/villalobos-v-salem-biddle

THE TERMS OF THE SETTLEMENT

8. What is the Total Settlement Amount?

The proposed Settlement provides for a Total Settlement Amount of **two hundred seventy-five thousand dollars (\$275,000)**, plus necessary Employer Taxes and policy changes to fully and finally resolve all claims in the Lawsuit (referred to as the "Total Settlement Amount"). Out of this amount, Class Counsel will request approval of the Private Attorneys General Act ("PAGA") settlement of six thousand dollars (\$6,000), which represents the amount of civil penalties implicated or raised by the Lawsuit. The PAGA Settlement includes a payment to the California Labor Workforce and Development Agency of four thousand five hundred dollars (\$4,500), which represents the seventy-five percent (75%) of the PAGA settlement for the government's share of civil penalties under the statute. The remaining one thousand five hundred dollars (\$1,500), which represents twenty-five percent (25%) of the PAGA settlement will be included in the Net Settlement Amount for distribution to Settlement Class Members. Class Counsel will also request approval of the following payments: (1) up to eighteen thousand five hundred dollars (\$18,500) to be paid to Phoenix Class Action Administration Solutions, the settlement administrator, for the costs associated with administration of the settlement; (2) a Class Representative Service Award of up to fifteen thousand dollars (\$15,000) to be paid to the Class Representative for his participation and risks he took in litigating the lawsuit; (3) a Class Counsel Award of up to thirty-three point thirty three percent of the Total Settlement Amount (or \$91,666.67) for attorneys' fees and up to ten thousand dollars (\$10,000) for reimbursement of actual litigation costs incurred.

The exact amount of the administration costs, the Class Representative Service Award, and the Class Counsel Award will be determined by the Court at the Final Approval hearing. The remaining portion of the settlement, the Net Settlement Amount, is estimated to be one hundred thirty-five thousand three hundred and thirty-three dollars and thirty-three cents (\$135,333.33). The Net Settlement Amount will be divided *pro rata* and paid entirely to all Class Members who do not request to be excluded from (or "opt-out" of) the Settlement. **A claim form is not required.** Any portion of the Net Settlement Amount that would otherwise be paid to Class Members who exclude themselves from the Settlement will be redistributed and paid to the Class Members who participate in the Settlement. In other words, the entire amount of the Net Settlement Amount will be paid to Class Members who do not elect to be excluded from the Settlement.

9. How will the Settlement Payments be calculated?

Class Members who do not request exclusion from the Settlement will receive their share of the Net Settlement Amount based upon the number of workweeks they worked as a Security Officer for Security First during the period of February 27, 2015 through September 19, 2019 ("Class Period") in relation to the aggregate number of weeks worked by all members during the Class Period. With an estimated «Total_Weeks» total workweeks worked by the Class during the Class Period, you can expect to receive an estimated «Est_Set_Amt», less applicable payroll taxes for each week worked during the pay period. This amount will go up if not all Class Members make claims. See also, para. 10.

10. How much will my Individual Settlement Payment be?

The estimated amount of your Individual Settlement Payment is shown on the enclosed Employment Information Sheet. It is based on your own number of eligible weeks worked during the Class Period. The amount shown is an estimate. The actual amount you receive may be more or less than the estimated amount shown, depending on a number of factors including but not limited to whether other Class Members exclude themselves from of the Settlement and how much the Court awards for administration costs, the Class Representative Service Award and the Class Counsel Award.

HOW TO GET A PAYMENT

11. How can I get my Individual Settlement Payment?

If you do nothing, you will automatically receive your Individual Settlement Payment if the Court approves the Settlement at a final approval hearing. The Individual Settlement Payments will be paid out in three (3) equal distributions over the period of six (6) years. The timeline for the payment distributions is outlined in the following section (§ 12).

Please be advised that to receive your Individual Settlement **must** notify the Settlement Administrator of any change in your name and/or mailing address if the name and/or address to which this Notice was mailed is no longer correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your name and/or mailing address.** Your Settlement Payment will be mailed to the last known address it has on file for you. To change or update your name and/or mailing address, please contact the Settlement Administrator by calling (800) 523-5773, emailing notice@phoenixclassaction.com or mailing the enclosed Change of Address form.

12. What do I do if I think my information and/or number of eligible workweeks is wrong?

The amount of your Individual Settlement Payment will be based on the number of weeks you worked as a Security Officer for Security First during the period of February 27, 2015 through September 19, 2019. The number of your eligible workweeks is shown on the Employment Information Sheet and obtained from Security First's records. If you believe that the information included in the Employment Information Sheet is incorrect, you may provide a statement of what you believe to be the correct information to the Settlement Administrator. You must notify the Settlement Administrator of your belief that the information provided in the Employment Information Sheet is not correct and provide any supporting documentation no later than **November 14, 2020**. The Settlement Administrator will resolve any dispute regarding the number of eligible workweeks you worked based on Security First's records and any information you provide. The employment data supplied by Security First will be presumed correct *unless* you supply records from showing contrary information.

13. When can I expect to receive my Individual Settlement Payment?

If you do not exclude yourself from the Settlement, your Individual Settlement Payment will be mailed to you in three (3) equal distributions. The first distribution will occur after Security First has paid a total of \$91,666.67 (approximately 15 months after the Effective Date). The second distribution will occur after Security First has paid a total of \$183,333.33 (approximately 36 months after the Effective Date). The last and final distribution will occur when Security First has paid the Total Settlement Amount under the settlement (approximately 52 months after the Effective Date). Class Members receiving a Settlement Payment will be responsible for correctly characterizing this compensation for tax purposes and paying taxes due, if any.

Individual Settlement Payment checks will remain valid for a period of 180 days of issuance. The funds of any checks that remain from the first and/or second distribution, will be reallocated to the Net Settlement Amount for distribution to Settlement Class Members in the third and final distribution on a *pro rata* basis. Any funds that remain uncashed or endorsed for a period of 180 days after the third and final distribution will be donated to Labor's Training and Community Development Alliance's Employee Rights Center, which provides workers education and advocacy regarding workplace issues.

Your share of the Settlement will be mailed to the address on file for you, which is the address where this Notice was mailed. Again, if this address is incorrect, or if you move after you receive this Notice, you must notify the Settlement Administrator. To change or update your mailing address, please contact the Settlement Administrator by calling (800) 523-5773, emailing notice@phoenixclassaction.com or mailing the enclosed Change of Address form to the Settlement Administrator.

14. What am I giving up to Get a Settlement Payment?

Unless you exclude yourself, you are within the Settlement Class, which means that you can't sue, continue to sue, or be part of any other Lawsuit against Security First concerning the legal issues in this Lawsuit that occurred during the Class Period. Specifically, you will be giving up or "releasing" the claims described below:

Release of Claims: As of the Effective Date, all Class Members who do not exclude themselves from the Settlement, including Plaintiff, will release Salem & Biddle, Inc. dba Security First, any subsidiaries, predecessors, successors, members, managers, affiliates, and otherwise related entities, and any of its past, present and/or future, direct and/or indirect, officers, directors, partners, investors, shareholders, administrators, parent companies, divisions, assigns, and joint ventures, and Sayfe A. Salem, individually, of all claims, actions, demands, causes of action, suits, debts, obligations, damages, rights, liabilities, or legal theories of relief that are based on the facts asserted in the operative complaint, including but not limited to all of the following causes of action: (1) Failure to pay minimum wages and overtime compensation (Labor Code §§ 204, 210, 510, 1194, 1197, 1197.1, 1198, and 1199); (2) Failure to provide legally compliant meal periods or compensation in lieu thereof (Labor Code §§ 204, 226.7, and 512); (3) Failure to provide legally compliant rest periods or compensation in lieu thereof (Labor Code §§ 204 and 226.7); (4) Failure to reimburse necessary work expenses (Labor Code §§ 2800 and 2802); (5) Unlawful deduction of wages (Labor Code §§ 221, 224, 403, 404, and 406); (6) Failure to pay wages owed (Labor Code §§ 201-203); (7) Failure to furnish accurate itemized wage statements (Labor Code §§ 226 and 226.3); (8) Failure to maintain accurate records (Labor Code §§ 226(a) and 1174); (9) Unfair business practices (Bus. & Prof. Code §§ 17200 et seq.); and (10) Private Attorneys General Act of 2004 (Labor Code §§ 2698 et seq.), including but not limited to the California Labor Code, the applicable Wage Orders, and the California Unfair Competition Law that are based on the facts alleged in the operative complaint (collectively, the "Released Claims"). The Released Claims do not cover or include (1) claims for Worker's Compensation; (2) claims for unemployment or disability payments; (3) claims for discrimination, retaliation or harassment; (4) tort claims; (5) or any other claims that cannot be released as a matter of law. The period of the Release shall extend to the limits of the Class Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

15. How do I get out of the Settlement?

If you wish to preserve the option to pursue your own separate lawsuit against Security First for the claims asserted in this Lawsuit, or if you otherwise wish not to participate in the Settlement for whatever reason, you should exclude yourself from the Settlement. To exclude yourself from the Settlement, you must submit a written statement requesting to be excluded from the Settlement Agreement to the Settlement Administrator by **November 14, 2020**.

To be valid, your written request must: (1) contain your name, address, telephone number and the last four digits of your social security number; (2) be signed by the person requesting exclusions; (3) be addressed to the Settlement Administrator and postmarked on or before **November 14, 2020**; and (4) state that "I wish to be excluded from the settlement of the class action lawsuit entitled *Villalobos v. Salem & Biddle, Inc. d.b.a. Security First et al.*, Superior Court of California, County of San Diego, Case Number 37-2019-00010804-CU-OE-CTL. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in the Class Notice"

16. If I don't exclude myself from the Settlement, can I sue Security First for the same thing?

No. Unless you exclude yourself from this Lawsuit, you give up any right to sue Security First for the claims and time period that this Settlement resolves. ***If you have a claim or lawsuit already against Security First, you may speak to your lawyer in that case immediately.*** If you want to maintain or continue your own lawsuit, you may ask to be excluded from this Settlement. Remember, the deadline to submit a request for exclusion is November 14, 2020.

17. If I exclude myself, can I get money from this Settlement?

No. If you exclude yourself, you will not receive an Individual Settlement Payment. The Individual Settlement Payment you would have been entitled to receive will be distributed to Class Members who elect to participate in the Settlement. No portion of the Net Settlement Amount will go back to Security First as a result of any requests by Class Members to be excluded.

OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I don't like the Settlement?

If think the Settlement as a whole is fair, you may object to the Settlement and tell the Court your reasons for disagreeing with the Settlement. You may object to the settlement in writing or orally at the Final Approval Hearing.

To object to the Settlement in writing, you must submit a written Notice of Objection to the Court and the Settlement Administrator no later than **November 14, 2020** at the addresses listed below.

Clerk of the Court
Superior Court for the State of California
County of San Diego
330 West Broadway
San Diego, CA 92101

Ivan Villalobos v. Salem & Biddle, Inc. et al.
Class Action Settlement Administrator
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

Your written objection must: (1) be signed by the person objecting and/or the objecting person's attorney; (2) state the case name, case number; (3) state the name, address and last four digits of the objecting Class Member; (4) the basis for the objection; and (5) state whether the objecting Class Member or his or her attorney intends to appear at the Final Approval/Fairness Hearing. If the objecting Class Member intends to use any document(s) to support an objection, copies of the document(s) should be included with the written objection at the time of submission.

You may appear in person at the time of the Final Approval Hearing to orally object to the Settlement or to speak with the Court about your objection.

19. What's the difference between objecting and requesting to be excluded from the Action?

Objecting is simply telling the Court you don't like something about the Settlement. You may object only if you stay in the Settlement Class. Requesting to be excluded from the Class is telling the Court that you don't want to be part of the Settlement. If you choose to request exclusion from the Class, you have no basis to object because the Settlement no longer affects you.

If you remain in the Settlement Class and object to any of the terms of the Settlement, the Court will consider your written objection when deciding whether to grant final approval of the Settlement. You do **not** need to appear to discuss the Objection.

THE COURT'S FINAL FAIRNESS HEARING

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

The Court will hold a Final Approval/Fairness Hearing in Department C-75 of the Superior Court of California, County of San Diego located at 330 West Broadway, San Diego, California 92101 on **December 11, 2020 at 9:00 a.m.** At this hearing, the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for administration costs, the Class Representative Service Award and Class Counsel Award.

The Court may reschedule the Final Approval/Fairness Hearing without further notice to Class Members. However, any Class Member who has filed a written Notice of Objection will be notified by Class Counsel of any rescheduling of the date and time of the Final Approval/Fairness Hearing.

21. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you send an Objection, you don't have to come to Court to talk about it. As long as you mailed your written Objection, the Court will consider it. You may also hire and pay your own lawyer to attend if you so desire.

22. May I appear and speak at the hearing?

You may personally appear or have a lawyer appear on your behalf at the Final Approval/Fairness Hearing to talk about your objection. If you submit a written objection, please include notice of your intention to appear at the Final Approval/Fairness Hearing.

GETTING MORE INFORMATION

23. Who can I contact if I have questions about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement of Class Action and Release of Claims on file with the Court. You may view the Court's files any time Monday through Friday, between the hours of 9:00 a.m. and 4:00 p.m., excluding court holidays. The case name and number can be found in the Basic Information Section. The Superior Court for the County of San Diego is located at Hall of Justice, 330 West Broadway, San Diego, California 92101. You may also view the Stipulation of Settlement of Class Action and Release of Claims at www.phoenixclassaction.com/villalobos-v-salem-biddle.

You may contact Class Counsel at the contact information listed in the Basic Information Section (§5), if you have any questions about the Settlement or you may contact the court-appointed Settlement Administrator, Phoenix Settlement Administrators, by calling toll free (800) 523-5773, or writing to *Ivan Villalobos v. Salem & Biddle, Inc. et al.* Class Action Administrator at the address shown the Basic Information Section (§7).

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR ANY OF SECURITY FIRST'S MANAGERS, SUPERVISORS, OR ATTORNEYS ABOUT THIS SETTLEMENT.

ADDITIONAL IMPORTANT INFORMATION

- A. **Security First** will not retaliate in any manner whatsoever against any Class Member who stays in the Class and receives an Individual Settlement Payment or requests to be excluded from the Settlement.
- B. **It is your responsibility to ensure that the Settlement Administrator** has your current mailing address and telephone number on file, as this will be the address to which your Individual Settlement Payment will be mailed.
- C. **Settlement Payment checks must be cashed soon after receipt**. Monies represented by checks that remain uncashed after 180 days of the date of issuance will be redistributed and/or donated to the entity identified in the How to Get a Payment Section (§13) above. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.