

NOTICE OF CLASS ACTION SETTLEMENT

I. WHY IT IS IMPORTANT TO READ THIS NOTICE

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. YOU MAY BE ENTITLED TO MONETARY COMPENSATION FROM THIS SETTLEMENT.

You are being sent this Notice of Class Action Settlement (“Notice”) because records indicate that you were employed by Pedego, Inc. (“Pedego” or “Defendant”) as a non-exempt employee in the State of California at any time from October 4, 2015 to November 30, 2020. This Notice relates to a proposed settlement of putative class action litigation (“Settlement”) brought against Defendant by plaintiff John Villalobos (“Plaintiff”) in the California State Court for the County of Orange, titled *John Villalobos, individually and on behalf of all others similarly situated, vs. Pedego, Inc., a California Corporation, and DOES 1 through 25*, Case No. 30-2019-01102461-CU-OE-CXC (the “Action”). Where appropriate, Plaintiff and Defendant will hereafter be collectively referred to as the “Parties.”

This Notice contains important information about your right to a settlement payment or to be excluded from the Settlement according to the procedures described below.

II. WHAT THIS LITIGATION IS ABOUT

On or about October 4, 2019, Plaintiff filed a proposed class action against Defendant. In the Action, Plaintiff contends that Pedego violated California law by failing to provide employees with legally compliant meal and rest breaks. Based on these allegations, Plaintiff’s First Amended Complaint alleges claims for: (1) failure to provide meal and rest breaks in violation of Labor Code Sections 226.7, 512(a) and 1198, *et seq.*, (2) unfair competition in violation of Business and Professions Code section 17200 *et seq.*; and (3) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (the “PAGA”). Further, prior to the settlement, Plaintiff had indicated an intention to amend his complaint to add additional claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203.

Defendant vigorously denies the allegations in the Action and contends that it has acted in compliance with the law at all times. There has been no finding of any wrongdoing or liability by Defendant. Defendant wishes to settle the Action to avoid costly, disruptive, and time-consuming litigation.

Plaintiff and Defendant have now reached a class-wide Settlement. Accordingly, the Parties have entered into a Settlement Agreement and Release to settle the Action, which the Court preliminarily approved on December 17, 2020 (the Court also entered an Amended Preliminary Approval Order on January 8, 2021).

The Parties and their respective counsel recognize the inherent risk and expense of continued proceedings necessary to continue litigation of the Action and believe the Settlement is a fair, adequate, and reasonable settlement, and is in the best interest of all Class Members.

III. SUMMARY OF THE SETTLEMENT TERMS

The Parties have agreed to settle the Action in exchange for Defendant’s payment of One Hundred and Thirty Thousand Dollars (\$130,000.00) (“Gross Settlement Amount”).

The Parties propose that the following amounts will be deducted from the Gross Settlement Amount, with the remaining sum paid to class members:

- (a) attorneys' fees to Class Counsel in a total amount not to exceed Forty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$43,333.33) (one-third of the Gross Settlement Amount);
- (b) Class Counsel’s expenses in a total amount not to exceed Ten Thousand Dollars (\$10,000.00);
- (c) A service and release award to the named Plaintiff and class representative, John Villalobos, in a total amount not to exceed Ten Thousand Dollars (\$10,000.00);
- (d) Settlement administration fees and expenses, in a total amount not to exceed Five Thousand Five

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Hundred Dollars (\$5,500.00); and

(e) Payment to the California Labor and Workforce Development Agency ("LWDA") in the total amount of Three Thousand Dollars (\$3,000.00) as the LWDA's share of the settlement of the PAGA penalties.

The amount remaining from the Gross Settlement Amount after the above listed deductions is called the Net Settlement Amount. This sum will be distributed to all class members who do not opt out of the Settlement ("Participating Class Members") based upon the number of weeks that each class member was employed by Pedego, including any leaves or furloughs, during the Class Period, which is from October 4, 2015 to November 30, 2020. These settlement payments to each Participating Class Member are called "Individual Settlement Payments."

The Individual Settlement Payments are subject to applicable employee tax withholdings. Phoenix Settlement Administrators (the "Settlement Administrator") will mail Individual Settlement Payments to each Participating Class Member only if the Court grants final approval of the settlement.

Distribution and Calculation of Individual Settlement Payments. The Net Settlement Amount shall be divided among all Participating Class Members and distributed to them based on the number of weeks that the Participating Class Member worked for Defendant during the Class Period. The maximum settlement payment that each Participating Class Member is entitled to receive is determined by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members during the Class Period and multiplying that amount by the number of workweeks that the Participating Class Member worked during the Class Period.

Your Estimated Individual Settlement Payment. According to Defendant's records, you have worked a total of _____ weeks for Defendant during the Class Period. Based on your number of workweeks and applying the formula above, it is estimated that you may receive an Individual Settlement Payment of approximately \$_____, less applicable taxes and withholdings, if you do not exclude yourself from the Settlement. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release award to Plaintiff, payment to the LWDA, and disputes by other Class Members regarding their qualifying workweeks. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

Each Individual Settlement Payment will be allocated thirty-three point three percent (33.3%) to wages, thirty-three point four percent (33.4%) to penalties, and thirty-three point three percent (33.3%) to interest. The wage portion of each Individual Settlement Payment will be subject to applicable withholdings. IRS Forms W-2, 1099 and 1099 INT will be distributed to Participating Class Members and the appropriate taxing authorities reflecting the Individual Settlement Payments that Participating Class Members receive under the Settlement. Participating Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement, and Participating Class Members are responsible for remitting to all relevant taxing authorities all applicable taxes that may be owed on the payments they receive under the Settlement.

Checks made payable to Participating Class Members shall remain negotiable for one hundred eighty (180) days from the date of issuance. If an individual settlement check remains uncashed 180 days after the date of issuance, the check shall be sent to the California state Controller as unclaimed property, for the benefit of the Participating Class Member to whom the Individual Settlement Payment check is addressed.

If you disagree with number of Workweeks Assigned to You In the Above Paragraph: Any Participating Class Member who disagrees with the data used to calculate their Individual Settlement Payment as reflected in this Notice may explain such disagreement in writing. Such written dispute must specifically describe your dispute and include your full name, address, telephone number, last four digits of your Social Security Number, dates of employment by Defendant and any documents supporting your position. You must also sign and date your written explanation and mail or fax it to the Settlement Administrator no later than **March 5, 2021** using the following facsimile number or address:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Fax: (949) 209-2503

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The date of the postmark on the return envelope if the written dispute is mailed, and the date of facsimile if the written dispute is faxed, shall be the exclusive means used to determine whether a Participating Class Member's dispute is "timely."

The Settlement Administrator shall resolve the disagreement with the Participating Class Member giving due consideration to any records submitted by the employee and by Pedego. However, at the final approval hearing, the Court will review all information provided to the Settlement Administrator by Participating Class Members and by Pedego and issue a final decision concerning any such disagreements.

IV. YOUR OPTIONS UNDER THE SETTLEMENT

Option 1—Do Nothing.

If the Court grants final approval of the Settlement, and you have not opted out of the Settlement, you will be mailed a check for your Individual Settlement Payment, minus applicable withholdings, by the Settlement Administrator. You will be bound by the Releases set forth in the Settlement (as defined below) and all other terms of the Settlement.

Option 2—Opt Out of the Settlement.

If you opt out of the Settlement, you will NOT receive any Individual Settlement Payment.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by completing and mailing or faxing the enclosed Request for Exclusion form to the Settlement Administrator at the address or fax number listed below.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Fax: (949) 209-2503

REMEMBER, YOU SHOULD ONLY SEND IN THE REQUEST FOR EXCLUSION FORM IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT.

The completed Request for Exclusion form must be faxed or postmarked no later than March 5, 2021. If your Request for Exclusion form is not faxed or postmarked by March 5, 2021, it will be rejected and you will be included in the Settlement as a Participating Class Member and bound by the Releases and all other terms of the Settlement, and will receive the appropriate Individual Settlement Payment.

Additionally, Class Members shall be permitted to rescind their Request for Exclusion. To do so, Class Members must complete the enclosed Opt-Out Rescission Form and submit it to the Settlement Administrator no later than May 12, 2021. Or a Class Member may attend the final approval hearing and orally advise the Court at the hearing of their desire to rescind their request for exclusion. Please note that the final approval hearing may be continued without further notice. You can confirm the date of the final approval hearing by contacting the Settlement Administrator.

Option 3—Submit an Objection and Remain a Participating Class Member.

If you wish to object to the Settlement, you may submit an objection with the Settlement Administrator stating why you object to the Settlement no later than March 5, 2021. Your objection must be in writing, must include your name, address, telephone number, dates of employment with Defendant and last four digits of your Social Security number, and must state with particularity the basis on which any objections are asserted. The objection must either be faxed or mailed by First Class U.S. Mail to the Settlement Administrator at the following facsimile number or address:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Fax: (949) 209-2503

Late objections will not be considered. Class Members who fail to make an objection in the manner set forth herein shall be deemed to have waived any objection and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement.

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By filing an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above in Option 2. Please note that you cannot both object to the Settlement and exclude yourself.

V. THE BINDING EFFECT OF THE SETTLEMENT

By not opting out and by continuing to be part of this case and Settlement, you are agreeing to release and discharge Defendant Pedego, Inc., and each of its present, former, and future parent, subsidiary, and/or affiliate entities, and each of their predecessors, successors, and assigns, and each of their respective past and present members, shareholders, partners, directors, officers, employees, attorneys, insurers, servants, representatives and agents, and as to any individual their marital community, community property, trustees, executors, heirs, guardians and registered representatives (“Released Parties”), from the claims asserted in the Action, as amended, as well as any and all claims, obligations, demands, rights, liabilities, complaints, charges, penalties, fines, wages, liquidated damages, losses, restitutionary amounts, interest and/or causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether in tort, contract or for violation of any state or federal statute, rule or regulation, based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action, including, but not limited to, (1) failure to provide meal and rest breaks in violation of Labor Code sections 226.7, 512(a) and 1198, *et seq.*, (2) failure to provide accurate itemized wage statements in violation of Labor Code section 226, (3) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, (4) unfair competition in violation of Business and Professions Code section 17200 *et seq.*, and (5) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*, for the period of time beginning October 4, 2015 through and including November 30, 2020 (the “Released Claims”).

The Released Claims expressly include a waiver and relinquishment by you of any and all claims, rights or benefits you may have under California Civil Code § 1542 as to the Released Claims only, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

You expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist, as to the Released Claims.

In addition, each Participating Class Member forever agrees that they shall neither request nor accept compensation, back pay, liquidated damages, punitive damages, penalties of any nature, attorneys’ fees or costs, interest, or any other relief from any other suit, class, representative or collective action, administrative claim or other claim of any sort or nature whatsoever from or against the Released Parties, for any period from October 4, 2015 to November 30, 2020, relating to the Released Claims. Participating Class Members agree not to sue or otherwise make a Released Claim against any of the Released Parties.

VI. THE FINAL APPROVAL HEARING

The Court will hold a hearing on May 13, 2021 to consider whether to give final approval to the Settlement, and to consider Class Counsel’s request for attorney’s fees and costs, Plaintiff’s request for a service and release award and the Settlement Administrator’s request for administration fees. The Final Approval Hearing will take place on May 13, 2021 at 1:30 p.m. in Department CX 103 of the Orange County Superior Court, which is located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701.

Any Class Member may attend the hearing. However, the date and time of the hearing may change without further notice. If you wish to attend the Final Approval hearing, you should contact the Settlement Administrator to confirm the date, time and place of the hearing.

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VII. ADDITIONAL INFORMATION

This Notice of Class Action Settlement is only a summary of the Action and the Settlement. For a more detailed statement of the matters involved in the Action and the Settlement, you may refer to the pleadings, the Settlement Agreement and Release, and other papers filed in the Action, which may be inspected at the Orange County Superior Court – Civil Complex Center, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701. Due to the current pandemic, you must make an appointment in order to enter the court and view any files. You can make an appointment at this link: <https://www.occourts.org/media-relations/CivilAppointments.html>.

Or, you can access the court file online at <http://www.occourts.org/online-services/case-access/>. From that page, click on the “Access Now” button next to “Civil Case & Document Access.” On the page that loads next, click “Accept Terms.” The next page will ask for the Case Number. Insert “01102461” in the “Case Number” box. Click the “I am not a Robot” box and then click “Search.” On the next page click on “Register of Actions,” which will provide a list of all court filings to date in this case. To obtain any of the listed filings, click the box next to the name of the filing in the column labeled “Select.” Next, click on “Cart” and then “Checkout.”

Additionally, the Settlement Administrator has setup a static website where the Settlement Agreement and Release and the Court’s Amended Order Granting Preliminary Approval of Class Action Settlement have been posted and are available for review, and where the Court’s final judgment will be posted and available for review once it has been entered by the Court, which can be accessed here www.phoenixclassaction.com/villalobos-v-pedego.

To the extent there are any conflicts between this Notice and the terms of the Settlement Agreement and Release, the terms of the Settlement Agreement and Release will govern.

Please do not call or contact the court for information about the Settlement. If you have any questions about the Settlement, you may contact the Settlement Administrator or Class Counsel at the following addresses or numbers:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Phone: (800) 523-5773
Fax: (949) 209-2503
Email: notice@phoenixclassaction.com

GUNDZIK GUNDZIK HEEGER LLP
Aaron C. Gundzik (State Bar No. 132137)
Rebecca G. Gundzik (State Bar No. 138446)
14011 Ventura Blvd., Suite 206E
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Marshall A. Caskey (State Bar No. 65410)
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24025 Park Sorrento, Suite 400
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Telephone: (818) 657-1070
Facsimile: (818) 297-1775

Questions? Contact the Settlement Administrator toll-free at 1-800-523-5773 or notice@phoenixclassaction.com