

NOTICE OF SETTLEMENT OF CLASS ACTION

(Oleg Korolov v. American Youth Soccer Organization, Inc., et al., Superior Court of the State of California, County of Los Angeles, Case No. 21STCV25615)

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	<p>To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Settlement Payments is: \$<< __ >>. See the explanation in Section 5 below.</p> <p>After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the settlement payment, you will release claims against the Defendants as detailed in Section 4 below. If your address has changed, you must notify the Settlement Administrator as explained in Section 6 below.</p>
Exclude Yourself from the Class Settlement but not the PAGA Settlement	<p>To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement and you will not be bound by the Settlement.</p> <p>You cannot opt out of the PAGA portion of the proposed Settlement. You will still receive an Individual PAGA Payment and release the Released PAGA Claims if you are an PAGA Employee (described below).</p> <p>Instructions are set forth in Section 7 below.</p>
Object to the Class Settlement but You cannot Object to the PAGA Settlement	<p>If you do not exclude yourself from the settlement, you may write to the Court about why you do not agree with the settlement or appear at the Final Approval Hearing to make an oral objection.</p> <p>Directions are provided in Section 8 below.</p>
You Can Participate in the June 26, 2023, Final Approval Hearing	<p>The Court’s final Approval Hearing is scheduled to take place on June 26, 2023. You don’t have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members may verbally object to the Settlement at the Final Approval Hearing.</p>
You Can Challenge the Calculation of your Work Weeks	<p>The Amount of your Individual Settlement Payment and Individual PAGA Payment (if any) depend on how many Work Weeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively. If you disagree with the information in section 5 below, you must challenge it by May 1, 2023.</p>

Your options are further explained in this Class Notice. To exclude yourself from, or object to, the Class Settlement you must take action by certain deadlines. If you want the Settlement as proposed, you don’t need to do anything to obtain your share of the Settlement.

AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION will not retaliate against you for any actions you take with respect to the proposed Settlement.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Los Angeles (the “Court”) has been reached between Plaintiff Oleg Korolov (“Plaintiff”) and Defendants AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION (“Defendants”) and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Notice because you have been identified as a member of the Settlement Class, which is defined as:

any and all current and former hourly non-exempt employees of Defendant AYSO Services Inc. in California during Class Period.

The Class Period is the period of time from July 13, 2017 through June 6, 2021.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On July 13, 2021, Plaintiff filed a class action complaint against Defendants for alleged violations of the California Labor Code in Los Angeles County Superior Court, Case No. 21STCV25615 (“Action”).

On December 1, 2021, Plaintiff filed a First Amended Complaint in the Action which added the claims of the PAGA Action. The First Amended Complaint alleges that Defendants failed to pay employees for all hours worked at the minimum wage and/or applicable overtime rates of pay; failed to authorize or permit meal periods or pay meal period premium wages; failed to indemnify or reimburse employees for losses and expenditures incurred as part of their employment; failed to timely pay all earned wages; statutory penalties for failure to provide accurate wage statements; waiting time penalties in the form of continuation wages for failure to timely pay employee all earned and unpaid wages due upon separation of employment; applicable civil penalties; and civil penalties pursuant to the Private Attorneys General Act of 2004 (PAGA).

Thereafter, the Parties of the Action and PAGA Action attended a full-day private mediation on March 22, 2022, with Steve Rottman, Esq. where the Parties reached the Settlement described herein.

Defendants deny and dispute all of the claims asserted against them. Specifically, Defendants contend that the Settlement Class Members were properly and timely paid all wages owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and were provided meal and rest periods as required under California law. Defendants further contend that they are not liable for any of the penalties claimed or that could be claimed in the Action; and that the Action cannot be maintained as a class action.

The Court granted preliminary approval of the Settlement on February 17, 2023. At that time, the Court also preliminarily approved Plaintiff to serve as the Class Representative, and for Joseph Lavi, Vincent Granberry, and Pooja Patel of Lavi & Ebrahimian, LLP to serve as Class Counsel.

3. What are the terms of the Settlement?

Maximum Settlement Amount. Defendants have agreed to pay Two Hundred Sixty Thousand Dollars (\$260,000) (the “Maximum Settlement Amount”) with no reversion to Defendants. The Maximum Settlement Amount includes all payments of Individual Settlement Payments to Settlement Class Members contemplated by the Settlement, Individual PAGA Payments to PAGA Employees, the Settlement Administration Costs, attorneys’ fees and costs to Class Counsel, and Enhancement Award to Class Representative, and payment to the Labor and Workforce Development Agency (“LWDA”) for its share of the PAGA Allocation. Any employer-side payroll taxes on the portion of the Individual Settlement Payments allocated to wages shall be separately paid by Defendants.

If there are no objections, Individual Settlement Payments will be distributed approximately 30 calendar days after the Final Approval Hearing. If there are objections, Individual Settlement Payments will not be distributed for at least 90 days following the Final Approval Hearing, but potentially longer. If your address changes, you are responsible for updating it with the Settlement Administrator at the phone number below.

Amounts to be Paid From the Maximum Settlement Amount. The Settlement provides for certain payments to be made from the Maximum Settlement Amount as follows, which will be subject to final Court approval, and which will be deducted from the Maximum Settlement Amount before Individual Settlement Payments are paid to Settlement Class Members who do not request exclusion (“Participating Class Members”):

- Settlement Administration Costs. Payment to the Settlement Administrator, not to exceed \$6,000, for expenses, including without limitation expenses of notifying the Settlement Class Members of the Settlement, processing opt outs, and distributing Individual Settlement Payments and Individual PAGA Payments and tax forms, and handling inquiries and uncashed checks.
- Class Counsel Fees and Class Counsel Costs to Class Counsel. Payment to Class Counsel of reasonable attorneys’ fees not to exceed one-third (1/3) of the Maximum Settlement Amount, which is presently \$86,666 and an additional amount to reimburse actual litigation costs incurred by the Plaintiff not to exceed \$19,000. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Settlement Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.
- Enhancement Award. Plaintiff is requesting a Class Representative Enhancement Award in an amount not to exceed Nine Thousand Nine Hundred Dollars (\$9,900.00), or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Settlement Class in initiating and prosecuting the Action, and for the risks he undertook.
- PAGA Allocation. A PAGA Allocation (or “PAGA Settlement Amount”) of \$26,000 out of the Maximum Settlement Amount, which shall be allocated 75% (\$19,500) to the LWDA as the LWDA’s share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$6,500) (“PAGA Employees Portion”) will be distributed to the PAGA Employees on a pro rata basis based on their pay periods during the PAGA Period.

Calculation of Payments to Participating Class Members. After all of the payments of the court-approved Enhancement Payments, the Class Counsel Fees, Class Counsel Costs, the PAGA Allocation, and the Settlement Administration Costs are deducted from the Maximum Settlement Amount, the remaining portion, called the “Net Settlement Amount”, shall be distributed as Individual Settlement Payments to the Participating Class Members. The Net Settlement Amount is estimated to be approximately \$ _____, based upon the above proposed deductions. The Settlement Administrator will pay an Individual Settlement Payment from the Net Settlement Amount to each Participating Class Member based on the number of work weeks each Participating Class Member during the Class Period (“Compensable Work Weeks”). The Settlement Administrator will calculate a Payment Ratio from the Net Settlement Amount for each Settlement Class Member by dividing the respective Compensable Work Weeks by the total Compensable Work Weeks for all Settlement Class Members. Each Settlement Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to determine each Individual Settlement Payment.

Calculation of Payments to PAGA Employees. The PAGA Employees Portion will be distributed to Settlement Class Members who were employed during the PAGA Period (i.e., PAGA Employees). The PAGA Period is from July 13, 2020 through June 6, 2021. The Settlement Administrator will determine how to allocate the PAGA Allocation based on Pay Periods for PAGA Employees. Defendants will calculate the Pay Periods for PAGA Employees who are eligible for a portion of the PAGA Allocation.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If you are a PAGA Employee you will receive an Individual PAGA Payment regardless of if you request exclusion from the Settlement. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. The Parties agree that the Individual Settlement Payments shall constitute 20% wages (“wage portion”), 40% penalties, and 40% interest (“non-wage portion”). Each Individual PAGA Payment shall be treated as 100% penalties. Neither Class Counsel nor Defendants’ Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each individual are unique to him/her, and each individual may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Need to Promptly Cash Payment Checks. The front of every check issued will show the date when the check expires: 180 calendar days after the date of issuance. If you don't cash the check within 180 days, your check will be automatically cancelled, and the funds will be remitted to The Salvation Army Ray & Joan Kroc Corps Community Centers.

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

4. What Do I Release Under the Settlement?

Released Class Claims. As of the Effective Date and full funding of the Maximum Settlement Amount by Defendants to the Settlement Administrator, each Participating Class Member hereby fully, finally, and forever releases and discharges each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the Class Period, for any of the following: failure to pay employees for all hours worked at the minimum wage and/or applicable overtime rates of pay; failure to provide legally compliant meal periods and/or pay meal period premium wages; failure to indemnify employees for employment-related losses/expenditures; failure to timely pay earned wages during employment; failure to provide accurate wage statements; failure to timely pay employee all earned and unpaid wages due upon separation of employment; applicable civil penalties; or any alleged or actual failure to pay any interest or penalties owed as a result of any of the foregoing; or (b) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint (collectively, the "Released Class Claims"). These claims include but are not limited to, all claims that arose during the class period under Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, and 2802, as well as the IWC Wage Order, and section 17200 et. seq of. the California Business and Professions Code, based on the foregoing. Participating Class Members do not release claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

As of the Effective Date and full funding of the Maximum Settlement Amount by Defendants to the Settlement Administrator, each PAGA Employee and the State of California hereby fully, finally, and forever releases and discharges each and every one of the Released Parties from all claims, demands, rights, liabilities, and causes of action: (a) arising in whole or in part, during the PAGA Period, for any of the following: any alleged or actual unfair business practices or any alleged or actual violations of the Private Attorneys General Act, Labor Code section 2699 *et seq.* ("PAGA") which derive from the foregoing Released Class Claims; or (b) in any manner arising out of any of the other facts or legal theories alleged or asserted in the Action, as described in the operative complaint in this Action or the July 12, 2021, letter to the LWDA (collectively, the "Released PAGA Claims") (together the Released Class Claims and Released PAGA Claims are the "Released Claims"). The release does not include claims that as a matter of law cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for recovery of workers' compensation benefits.

Released Parties. (a) Defendants AMERICAN YOUTH SOCCER ORGANIZATION, INC. and AYSO SERVICES CORPORATION, and each and all past or present partners, parents, subsidiaries, or affiliates (regardless whether such partners, parents, subsidiaries, or affiliates are individuals, corporations, partnerships, limited partnerships, limited liability companies, or other forms of entity) of Defendants; (b) each and all of the predecessor or successor entities of any of those entities identified in subparagraph (a); (c) any other individuals or entities of any kind, including but not limited to any payroll companies, which have been or could be alleged to be in any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other theory) for any violations described in the releases below and occurring as a result of employment; and (d) all past and present directors, officers, representatives, insurers, agents, shareholders, partners, members, lawyers, and employees of any of the individuals or entities identified in subparagraphs (a), (b), or (c).

This means that, if you do not timely exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants and any other Released Party about 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.

5. How much will my payment be and can I challenge my workweeks?

Defendants' records reflect that you worked << ____ >> Compensable Work Weeks for Defendants during the Class Period.

Based on this information, your estimated Individual Settlement Payment is << _____ >>.

Defendants' records reflect that you [are/are not] a PAGA Employee. Defendants' records reflect that you have worked << ____ >> Pay Periods during the PAGA Period.

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

If you wish to challenge the information set forth above, then you must submit a written, signed dispute which includes your name, address, last four digits of Social Security number, and number of work weeks you contend are correct as well as any evidence, to the Settlement Administrator at the address provided in this Notice no later than May 1, 2023. You may submit your challenge via fax or mail to the Settlement Administrator at the contact information in section 7 below.

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your Individual Settlement Payment and if applicable Individual PAGA Payment will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: Phoenix Settlement Administrators (800) 523-5773.

The Court will hold a Final Approval Hearing on June 26, 2023, at 10:00 a.m. to decide whether to approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed approximately one year after this hearing. If there are objections or appeals, resolving them can take time, usually more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will not receive an Individual Settlement Payment from the Settlement, and you will not be bound by the Settlement which means you will retain the right to sue Defendants for Released Class Claims.** However, Aggrieved Employees who opt out will still be paid their allocation of the PAGA Payment and will remain subject to the release of the Released PAGA Claims regardless of whether they submit a request for exclusion.

To opt out, you must mail, fax, or email to the Settlement Administrator, a written, signed and dated request to opt-out no later than May 1, 2023. The request to opt-out must be received by the Settlement Administrator and must: (1) must contain the name, address, and the last four (4) digits of the Social Security number of the Settlement Class Member requesting exclusion, (2) must state in clear terms that they do not want to be included or wish to be excluded from the Settlement, (3) must be signed by the Settlement Class Member and (4) be submitted by fax or mail by the May 1, 2023 and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice.

The address for the Settlement Administrator is P.O. Box 7208, Orange, CA 92863. Written requests for exclusion that are postmarked or fax-stamped after May 1, 2023, or are incomplete or unsigned will be rejected, and those Settlement Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I don't agree with the Settlement?

Any Settlement Class Member who has not opted out (i.e., Participating Class Member) and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the attorneys' fees, the costs and/or the enhancement payments, either in writing or in person. Objections that are in writing should: (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four (4) digits of the Settlement Class Member's Social Security number and/or the Employee ID number; and (4) the basis for the objection. The Notice of Objection must be submitted by fax or mail by the May 1, 2023 and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice.

Alternatively, a Participating Class Member may also appear at the Final Approval hearing (detailed below), either in person or through his or her own attorney, if he or she wishes to object to the Settlement.

All written objections must be received by the Settlement Administrator no later than May 1, 2023.

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Participating Class Members who do not object and you will still be mailed a check for your Individual Settlement Payment and Individual PAGA Payment.

The addresses for Parties' counsel are as follows:

Class Counsel:

Joseph Lavi, Esq. (SBN 209776)
Vincent Granberry, Esq. (SBN 276483)
Pooja Patel (SBN 317891)
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Telephone: (310) 432-0000
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Counsel for Defendants:

Mark Posard (SBN 208790)
Tatiana Dupuy (SBN 246705)
GORDON REES SCULLY MANSUKHANI LLP
101 W. Broadway, Suite 2000
San Diego, California 92101
Telephone: (619) 696-6700
Facsimile: (619) 696-7124

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

The Court will hold a Final Approval Hearing at 10:00 a.m. on June 26, 2023, at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, California 90012, in Department SSC11 before Judge David S. Cunningham. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing remotely using the LA CourtConnect procedure at <https://www.lacourt.org/lacc/>. If the hearing is continued, notice will be posted on the Settlement Administrator's website at <https://www.phoenixclassaction.com/korolov-v-american-youth-soccer-organization/>. In addition, hearing dates are posted on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles (<http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) and entering the Case No. 20STCV04732. If you do intend to appear in person for the Final Approval Hearing, you are encouraged to review the Court's current social distancing procedures at <https://www.lacourt.org/>. Currently, the Court does not require face masks to be worn in the courthouse and strongly encourages those making appearances to do so remotely.

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

You may call the Settlement Administrator at (800) 523-5773.

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment or other Settlement documents by going to the Settlement Administrator's website at <https://www.phoenixclassaction.com/korolov-v-american-youth-soccer-organization/>. You may also get more details by examining the Court's file on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles and entering the Case No. 21STCV25615. If you wish to view the Court files in person, you must make an appointment with the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT: You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.