

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiffs Ryan J. Molale (“Plaintiff Molale”), George Torres (“Plaintiff Torres”), and Tran Le (“Plaintiff Le”) (collectively “Plaintiffs”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Arch Telecom Inc. (“Defendant” or “Arch”), on the other hand. Plaintiffs and Defendant are referred to herein collectively as the “Parties.” Plaintiffs and the Settlement Class (defined below) are represented by Paul K. Haines, Tuvia Korobkin, and Alexandra R. McIntosh of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Navneet Chugh and Nishita Patel of Chugh, LLP.

On October 18, 2018, pursuant to an arbitration agreement with Arch, Plaintiff Molale filed and served a classwide Demand for Arbitration (“Demand”), alleging that Arch: (i) failed to pay all overtime wages; (ii) failed to provide all meal periods in accordance with California law; (iii) failed to authorize and permit rest periods in accordance with California law; (iv) failed to pay all wages owed upon separation of employment; and (v) engaged in unlawful business practices pursuant to California Business & Professions Code § 17200 *et seq.*, based on the above alleged violations. On February 8, 2019, after Arch did not respond to Plaintiff Molale’s Demand and did not pay its arbitration fees, Plaintiff Molale filed a class action lawsuit against Arch in Contra Costa Superior Court, in the matter titled *Ryan J. Molale v. Arch Telecom Inc.*, Case No. C19-00279 (“*Molale*”), alleging the same causes of action alleged in the Demand.

On January 3, 2019, Plaintiff Le filed a representative action lawsuit against Arch in Los Angeles Superior Court, in the matter titled *Tran Le v. Arch Telecom Inc.*, Case No. 19STCV00027 (“*Le*”). The operative First Amended Complaint in *Le* alleges that Arch is liable for civil penalties pursuant to the Private Attorneys General Act of 2004 (“PAGA”), California Labor Code § 2698, for its: (i) failed to provide all meal periods in accordance with California law; (ii) failed to authorize and permit rest periods in accordance with California law; (iii) failure to pay all overtime wages; (iv) failure to pay all minimum wages; (v) failure to provide suitable seating; (vi) failure to reimburse all necessary business expenses incurred; (vii) failure to issue accurate and itemized wage statements; (viii) failure to timely pay all wages owed including upon separation of employment; and (ix) unlawful withholding of wages owed.

On August 26, 2020, Plaintiff Torres filed a class action and representative action lawsuit against Arch in Contra Costa Superior Court, in the matter titled *George Torres v. Arch Telecom Inc.*, Case No. C20-01679 (“*Torres*”), alleging that Arch: (i) failed to pay all minimum wages owed; (ii) failed to issue accurate itemized wage statements; (iii) failed to reimburse all necessary business expenses incurred; (iv) engaged in unlawful business practices pursuant to California Business & Professions Code § 17200 *et seq.*; and (v) is liable for civil penalties under PAGA, for the aforementioned violations of the California Labor Code. *Molale*, *Le*, and *Torres* are collectively referred to herein as the “Actions.”

Given the uncertainty of litigation, Plaintiffs and Arch wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiffs and Arch agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiffs and Arch stipulate to the certification of a “Settlement Class,” which shall consist of the Plaintiffs and the following two sub-classes:

Non-Release Sub-Class: All current and former non-exempt employees who worked for Arch in California at any time from October 18, 2014 until the date of preliminary approval of the Settlement Agreement (the “Class Period”), and who did not sign an individual settlement and release pursuant to Arch’s *Pick Up Stix* campaign. Arch represents there are 906 individuals in this Sub-Class.

Release Sub-Class: All current and former non-exempt employees who worked for Arch in California at any time during the Class Period and who did sign an individual settlement and release pursuant to Arch’s *Pick Up Stix* campaign. Arch represents there are 179 individuals in this Sub-Class.

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Releases.**

A. Release by Settlement Class Members. Upon the “Effective Date” (defined below), and upon the Settlement being fully funded, Plaintiffs and every member of the Settlement Class (except those who opt out) shall release and discharge Arch, its past, current or future subsidiaries, parents, predecessors, affiliates, divisions, joint ventures, licensees, franchisees and any other legal entities, whether foreign, domestic, that are owned and controlled by Arch, as well as its past, current or future insurers, agents, employees, consultants, independent contractors, successors, assigns, officers, officials, directors, members, attorneys, executors, and shareholders, (collectively, the “Released Parties”) from all claims and/or causes of action under California law that arose during the Class Period and were pled in, or could have been pled based on the factual allegations set forth in, any of the Complaints filed in the Actions, including claims for (a) failure to pay all minimum wages owed, (b) failure to pay all overtime wages owed, (c) failures to provide meal periods, (d) failure to authorize and permit rest periods, (e) failure to indemnify all necessary business expenses incurred, (f) failure to provide accurate itemized wage statements, (g) failure to timely pay final wages, (h) failure to provide suitable seating, (i) unlawful withholding of the wages owed, (j) claims for PAGA civil penalties based on the foregoing Labor Code violations; and (k) all claims for unfair business practices that could have been premised on the legal theories described above (“Class Members’ Released Claims”). The release contemplated herein shall be effective with respect to all Settlement Class members (except those who opt out), regardless whether the Settlement Class members cash their Settlement Award checks.

- B. **Release by Plaintiffs.** In light of Plaintiffs' Representative Incentive Awards (discussed below), Plaintiffs, individually and on behalf of their heirs, estates, trustees, executors, administrators, representatives, agents, successors and assigns and anyone claiming through him, her or them, or acting or purporting to act on his, her or their behalf, have agreed to unconditionally, irrevocably and forever release, discharge, hold harmless and covenant not to sue each and all of the Released Parties from each and all of the Class Members' Released Claims described above, all claims, whether known or unknown, under federal law or state law, against the Released Parties, based on their employment with Arch or the Released Parties, to the extent permitted by law, through the date of the final approval of the Settlement Agreement ("Plaintiffs' Released Claims"). Plaintiffs, expressly acknowledge that they are familiar with Section 1542 of the California Civil Code and understand that this release includes unknown claims and that they are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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.

Specifically excluded from Plaintiffs' Released Claims are any claims for workers' compensation benefits or unemployment insurance benefits, or any other claims that cannot be released as a matter of law.

- C. **Effective Date.** The "Effective Date" shall be defined as follows. If no objections are filed (or any objections have been withdrawn), the "Effective Date" shall be the date that the Court grants final approval of the Settlement and enters Judgment. If any objections have been filed and have not been withdrawn (the filing of an objection being a prerequisite to the filing of an appeal), then the "Effective Date" will be either: (i) if no appeal is filed, ten (10) days after the last date on which any appeal might have been filed; or (ii) if an appeal is filed, ten (10) days after the final resolution of any appeal, presuming that the appeal upholds the Settlement.

3. **Gross Settlement Amount.** As consideration, Arch agrees to pay a "Gross Settlement Amount" of \$750,000.00 in full and complete settlement of the Actions, as follows:

- A. The Parties agree to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this Settlement.

The Gross Settlement Amount shall be deposited into an escrow account to be established by the Settlement Administrator in eighteen (18) equal monthly installments of \$41,666.67 each. The first installment of \$41,666.67 shall be deposited no later than November 1, 2020, with each subsequent installment of \$41,666.67 to be deposited on the first of every month thereafter, until the Gross Settlement Amount is fully funded or April 1, 2022, whichever is sooner.

The first through eighteenth installments shall be deposited into the escrow account regardless of whether the Effective Date occurs. If the Settlement does not receive final approval and the Effective Date does not occur, any installments paid to date shall be returned to Arch.

B. This is a non-reversionary settlement. The Gross Settlement Amount includes:

- (1) All payments (including interest) to the Settlement Class;
- (2) All costs of the Settlement Administrator and settlement administration, which are estimated to be no more than \$14,000.00;
- (3) Up to \$5,000 each (\$15,000.00 total) for Plaintiffs' Representative Incentive Awards, in recognition of their contributions to the Actions, their service to the Settlement Class, and their general release of claims;
- (4) The Parties have agreed to set aside \$50,000.00 of the Gross Settlement Amount as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$37,500.00, will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining 25%, or \$12,500.00, will be payable to certain Settlement Class members as the "PAGA Amount," as described below. Any Court order allocating a different amount to PAGA civil penalties shall not be grounds to revoke this settlement, and it will remain binding; and
- (5) Attorneys' fees of up to one-third of the Gross Settlement Amount (currently estimated to be \$250,000.00), plus \$13,650, which is one-third of the amount paid by Arch in its *Pick Up Stix* campaign, plus actual costs and expenses incurred by Class Counsel related to the Actions as supported by declaration, which are currently estimated to be no greater than \$35,000. In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke this settlement, and it will remain binding. (However, Class Counsel shall have the right to appeal an order that denies or awards less than the amount of attorneys' fees or costs requested.)

D. Arch's share of payroll taxes as an employer (*e.g.*, FICA, FUTA) on the portion of Settlement payments designated as "wages" shall be paid by Arch separately from, and in addition to, the Gross Settlement Amount. Arch shall deposit the employer's share of payroll taxes with the Settlement Administrator no later than the date it deposits the eighteenth installment of \$41,666.67 as described in Paragraph 3(A) above.

E. **Escalator Clause.** Arch represents that there are approximately 1,085 Settlement Class members. If, at the time of preliminary approval, the actual number of Settlement Class members has increased by 5% or more (*i.e.*, if there are 1,140 or more Settlement Class members), then Arch shall increase the Gross Settlement Amount on a proportional basis (*e.g.*, if there is a 7% increase in the number of Settlement Class members, the Gross Settlement Amount will increase by 7%).

Any increase to the Gross Settlement Amount pursuant to this paragraph shall be paid out proportionally in each installment enumerated in Paragraph 3(A) that occurs after preliminary approval (e.g., if, by operation of this Escalator Clause, the Gross Settlement Amount increases by \$50,000 and there are 10 installments remaining to be paid after preliminary approval, then each of the remaining installments shall increase by \$5,000.)

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Settlement Award”) from the Settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, Plaintiffs’ Representative Incentive Awards, the amount set aside as PAGA civil penalties, and the Settlement Administrator’s administration costs. The remaining amount shall be known as the “Net Settlement Amount.”
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Settlement Award based on the following formula:
 - i. Payments to Non-Release Sub-Class members: A portion of the Net Settlement Amount will be distributed to all participating Non-Release Sub-Class members based on Arch’s formula as to what each member of the Non-Release Sub-Class would have received through the *Pick Up Stix* campaign. Specifically, each participating Non-Release Sub-Class member, will receive an amount based on the following formula:
 - If the employee was employed between 0 and 3 months prior to May 31, 2020, they will receive \$100.00;
 - If the employee was employed for over 3 months and up to 6 months prior to May 31, 2020, they will receive \$150.00;
 - If the employee was employed for over 6 months and up to 11 months prior to May 31, 2020, they will receive \$200.00
 - If the employee was employed for over 11 months and up to 24 months prior to May 31, 2020, they will receive \$250.00;
 - If the employee was employed for over 24 months and up to 48 months prior to May 31, 2020, they will receive \$300.00; and
 - If the employee was employed for over 48 months prior to May 31, 2020, they will receive \$350.00.
 - ii. Payments to all Settlement Class members: Once the above payments to Non-Release Sub-Class members are deducted from the Net Settlement Amount, the remaining amount shall be known as the “Settlement Remainder.” Each participating Settlement Class member will be entitled to a portion of the Settlement Remainder based on his or her pro rata share of workweeks employed by Arch as a non-exempt employee in California during the Class Period (“Workweeks”). Specifically, for each Settlement

Class member, the Settlement Administrator shall multiply the Settlement Remainder by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks, and the denominator of which is the total Workweeks worked by all participating Settlement Class members, to arrive at the participating Settlement Class member's portion of the Settlement Remainder.

- iii. PAGA Amount: As noted above, in addition to the Net Settlement Amount, \$12,500.00 of the Gross Settlement Amount has been designated as the "PAGA Amount." Each participating Settlement Class member who worked for Arch in California at any time from October 18, 2017 through the date of preliminary approval (the "PAGA Period"), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked by that participating Settlement Class member as a non-exempt employee for Arch in California during the PAGA Period. This amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the participating Settlement Class member's number of pay periods worked as a non-exempt employee for Arch in California during the PAGA Period, and the denominator of which is the total number of pay periods worked by all participating Settlement Class members as non-exempt employees for Arch in California during the PAGA Period. The PAGA Amount described herein shall be considered to be 100% penalties and will not be subject to reduction for any employees' share of taxes or withholding or Employer Taxes.

- C. Within twenty (20) days following the Court's granting final approval, the Settlement Administrator will calculate Settlement Award amounts for each Settlement Class member and provide the same to counsel for review and approval. Settlement Awards will be paid to Settlement Class members within thirty (30) days after (i) all eighteen installments have been paid; and (ii) the Effective Date has occurred.
- D. For purposes of calculating applicable taxes and withholdings for the Settlement Class members, each Settlement Award shall be allocated as follows: one-third (1/3) as wages, one-third (1/3) as penalties, and one-third (1/3) as interest. The Settlement Administrator will be responsible for issuing to Settlement Class members an IRS Form W-2 for amounts deemed "wages" and an IRS Form 1099 for the portions allocated as penalties and interest. As stated above, the Employer Taxes shall be paid and Arch is responsible for the employer's share of payroll taxes on the wages portion of the Settlement Awards, and these taxes will not be deducted from the Gross Settlement Amount. Notwithstanding the treatment of the payments to each Participating Settlement Class Member above, the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay, or compensation, Incentive Awards and PAGA Amount paid to the Participating Settlement Class Member, shall not be utilized to calculate any additional bonus, 401(k) plans, vacation plans, sick leave plans, retirement plan or any other benefit plan, unless required by such plans.

- E. Each member of the Settlement Class who receives a Settlement Award must cash any Settlement Award check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing will escheat to *cy pres* recipient, Legal Aid at Work, which is a 501(c)(3) organization dedicated to providing legal services to the indigent.
- F. Neither Plaintiffs nor Arch shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Arch will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be \$250,000.00, plus \$13,650.00, which is one-third of the amount paid by Arch in connection with its *Pick Up Stix* campaign as a direct result of this litigation. Additionally, Arch will not object to Class Counsel's request for an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$35,000.00, from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with the Actions, including all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. To the extent that the Court does not approve an award for Class Counsel's request for attorneys fees and reimbursement of litigation costs, the amount not approved will be a part of the Net Settlement Amount to be distributed to the Settlement Class Members. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court. Class Counsel's Court-approved costs will be paid by the Settlement Administrator after (i) the first installment has been paid and (ii) the Effective Date occurs. Class Counsel's Court-approved attorneys' fees shall be paid after (i) the Settlement is fully funded and (ii) the Effective Date occurs.

6. **Representative Incentive Award.** Arch will not object to a request for Representative Incentive Awards of up to \$5,000 to each named plaintiff, for a total of \$15,000, for their time and risks in prosecuting the Actions, their general release of claims, and their service to the Settlement Class. This award will be in addition to Plaintiffs' Settlement Awards as Settlement Class members and shall be reported on IRS Form 1099s issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Incentive Awards, Plaintiffs shall not have the right to revoke this Settlement, and it will remain binding. The Settlement Administrator shall pay Plaintiffs their Representative Incentive Awards after (i) the Settlement is fully funded and (ii) the Effective Date occurs.

7. **Settlement Administrator.** Arch will not object the appointment of Phoenix Settlement Administrators as Settlement Administrator. Arch will not object to Plaintiffs seeking permission to pay up to \$14,000 to the Settlement Administrator for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Settlement Awards and preparing all checks and mailings, calculating Arch's share of taxes payable on the wages, and other duties as described in this Settlement Agreement. The Settlement

Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after full Settlement Awards have been mailed to all participating Settlement Class members. The Parties will have equal access to the Settlement Administrator, and the Settlement Administrator will provide regular reports to the Parties, but no less frequently than every four weeks, regarding the status of the mailing of the notices, the settlement administration process, distribution of Settlement Award checks, Request for Exclusion, etc.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines, Tuvia Korobkin, and Alexandra R. McIntosh of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiffs as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Award, attached hereto as Exhibits A and B, respectively), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within 15 business days after entry of an order preliminarily approving this Agreement, Arch will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, number of Workweeks worked during the Class Period, the number of pay periods worked during the PAGA Period, and whether the Settlement Class member signed an individual settlement agreement and release as part of the *Pick Up Stix* campaign, for each Settlement Class member (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member

and obtain approval from counsel of those calculations; (iv) format Notice Packets and obtain approval from counsel of the same; and (v) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”). The Class Notice shall state that a Settlement Class member who wishes to exclude himself or herself from the Settlement must submit a “Request for Exclusion” by the Response Deadline. A Request for Exclusion is a letter or card prepared by the Settlement Class member which must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion Form does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion Form not containing a Settlement Class member’s telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion Form shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. By signing this Settlement Agreement, Plaintiffs waive their right to opt out of the settlement and release of Plaintiffs’ Released Claims, and any such Request for Exclusion will be void and of no force and effect. Neither Plaintiffs, Class Counsel, Arch (including any of its employees or agents), nor Arch’s counsel will request, solicit, or encourage any Settlement Class member to request exclusion from the Settlement Agreement. The Settlement Administrator shall give Class Counsel and Arch’s counsel a final list of opt-out, within 10 days of the Response Deadline.
- D. Excessive Opt-Out Requests. If five percent (5%) or more Settlement Class Members timely opt out of the Settlement, Arch shall have the sole and absolute discretion to rescind/void the Settlement within ten (10) business days after receiving from the Settlement Administrator the final list of opt-outs. Arch agrees to meet and confer in good faith with Class Counsel before rescinding or voiding the Settlement. In the event that Arch elects to rescind/void the Settlement, it shall provide written notice of such rescission to Class Counsel. Such rescission shall have the same effect as a termination of this Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force or effect. If Arch rescinds/voids the Settlement pursuant to this paragraph, then Arch shall be solely responsible for paying the Settlement Administrator any administrative costs incurred.

- E. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Arch's counsel and Class Counsel, who shall then file all such objections with the Court). Arch's counsel and Class Counsel shall file any responses to objections no later than 5 days before the Final Approval hearing. To be valid, any objection must be in writing and: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. A Settlement Class member who wishes to object to the Settlement but who fails to comply with the written objection procedures set forth above and/or in the Class Notice shall be deemed not to have objected, shall be deemed to have waived all objections to the Settlement Agreement, and shall be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement. Neither Plaintiffs, Class Counsel, Arch (including any of its employees or agents), nor Arch's counsel will request, solicit, or encourage any Settlement Class members to submit Objections or appeal from the Court's final approval order and judgment. Class Counsel shall not represent any Settlement Class members with respect to any such Objections.
- F. Notice of Estimated Settlement Award / Disputes. The Notice of Estimated Settlement Award mailed to each Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award and (i) whether the Settlement Class member signed an individual settlement and release in connection with Arch's Pick Up Stix campaign, (ii) the Settlement Class member's number of Workweeks worked for Arch in California as a non-exempt employee during the Class Period; and (iii) the number of pay periods worked by the Settlement Class member in California as a non-exempt employee for Arch during the PAGA Period. Settlement Class members will have the opportunity, should they disagree with Arch's records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.
- G. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be immediately re-mailed to the forwarding

address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet (although the Settlement Administrator will continue to conduct a skip-trace on any Notice Packets that are returned as undeliverable with no forwarding address throughout the Notice period). Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Settlement Class member’s Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Arch’s Counsel to provide notice of the Settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of a Final Order and Judgment (pursuant to California Rule of Court 3.769), which shall among other things:

- A. Grant final approval of the Settlement Agreement and adjudge its terms to be fair, reasonable, and adequate;
- B. Approve Plaintiffs’ and Class Counsels’ application for attorneys’ fees and costs, Representative Incentive Award, PAGA payment to the LWDA, and settlement administration costs;
- C. Enter judgment pursuant to California Rule of Court 3.769
- D. Permanently bar and enjoin the Plaintiffs and all other members of the Settlement Class (except those who validly and timely opt out of the Settlement) from filing, commencing, prosecuting, intervening in, or participating (as a class member or otherwise) in any other lawsuit or administrative, regulatory, arbitration, or other proceeding in any jurisdiction based on Plaintiffs’ Released Claims (in case of Plaintiffs) and Class Members’ Released Claims (in case of the members of Settlement Class); and
- E. Declare that this Settlement Agreement and the Final Order and Judgment are binding on, and have *res judicata* and preclusive effect, in all pending and future

lawsuits or other proceedings that: (i) encompass the Plaintiffs' Released Claims and that are maintained by or on behalf of the Plaintiffs; and (ii) encompass the Class Members' Released Claims and that are maintained by or on behalf of the Settlement Class members (except those who validly and timely opt out of the Settlement), regardless of whether the Settlement Class member previously initiated or subsequently initiates individual litigation or other proceedings encompassed by the Class Members' Released Claims.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement Agreement. Each of the Parties expressly acknowledge that he/she/it has entered into this Settlement Agreement to avoid the burden and expense of further litigation and expressly acknowledge that nothing herein is an admission of liability, culpability, negligence or wrongdoing by Arch or any of the Released Parties. Pursuant to California Evidence Code Section 1152, this Settlement Agreement and any all discussion leading to the Settlement Agreement, is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If the Effective Date does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152 or any other equivalent or related law, regulation, statute or provision, be inadmissible as evidence in any proceeding. However, the Parties agree that this Settlement Agreement may be admitted in evidence or used in any proceeding to enforce any and all terms of this Settlement Agreement. The Parties also agree that the Released Parties shall have the right to file the Settlement Agreement, the final approval order and any other evidence relating to the Settlement in any action that may be brought against them in order to support a defense or counterclaim relating to any claims released, precluded or barred by this Settlement Agreement.

12. **Non-disclosure and Non-publication.** Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, Settlement Award, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel. Class Counsel may also include a general description of the settlement on their website, but may not include the names of the Parties or the case number, or any descriptive information of the business of Arch that would facilitate identification of Arch. Without limiting any preexisting confidentiality obligations, Plaintiffs agree that in connection with Plaintiff's work for Arch, Plaintiff has had access to non-public information and materials concerning the business affairs of Arch and its present or former partners, managing directors, shareholder, employees, agents, directors, officers, clients, or other third Parties or the personal affairs of such individuals (Confidential Information and Materials). Plaintiffs will hold all Confidential Information and Materials in strict confidence and will not give, disclose, copy, reproduce, sell, assign, license, market or transfer Confidential Information and Materials to any person, corporation or entity, nor allow anyone to do so on their behalf. Without prior written authorization from Arch, Plaintiff will not discuss any Confidential Information and Materials or any aspects of Plaintiff's employment with Arch or the end of said employment with any attorney

or representative of an attorney (other than Plaintiff's own attorneys), reporter, author, producer, or similar person or entity, or take any other action seeking to publicize or disclose any such information in any way likely to result in such information being made available to the general public in any form, including books, articles or writings of any kind, as well as film, videotape, audiotape or any other medium. Nothing in this section is intended to prevent a Plaintiff from disclosing information concerning his or her employment at Defendant that is of the sort that would customarily be contained on a resume. Nothing in this section limits or shall be construed to limit any preexisting confidentiality obligations.

13. **Continuing Jurisdiction.** Except as otherwise specifically provided for herein, the Court shall retain jurisdiction to construe, interpret and enforce this Settlement, to supervise all notices, the administration of the Settlement, and to hear and adjudicate any dispute arising from or related to the Settlement. The Parties agree that the Court has jurisdiction over the Settlement pursuant to California Code of Civil Procedure, Section 664.6.

14. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

15. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

16. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Arch: Navneet S. Chugh, Chugh, LLP, 15925 Carmenita Road,
Cerritos, California 90703; navneet@chugh.com

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive,
Suite 180, El Segundo, California 90245;
phaines@haineslawgroup.com

17. **Applicable Law.** All terms and conditions of this Settlement Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.

18. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Each Plaintiff acknowledges, agrees and understands that: (a) he or she had read and understands that terms of this Settlement Agreement; (b) he or she has

been advised in writing to consult with an attorney before executing this Settlement Agreement; (c) he or she has obtained and considered such legal counsel as he or she deems necessary; and (d) he or she has been given the opportunity to consider whether or not to enter into this Settlement Agreement.

19. **Parties' Authority and Signatures.** It is agreed that because the Class is so numerous, it is impossible or impractical to have each Settlement Class Member execute the Settlement Agreement, each Plaintiff shall execute the Settlement Agreement on behalf of himself/herself, the Settlement Class Members. The Notice shall advise the Settlement Class Members of the binding nature of the release, and as such have the same force and effect as if the Settlement Agreement were executed by each Settlement Class Member individually. The Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

20. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

20. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE

ARCH TELECOM INC.

DATED: _____, 2020

By: _____
Its: _____

RYAN J. MOLALE

DATED: 12/29_____, 2020


ryan molale (Dec 29, 2020 18:27 PST)

GEORGE TORRES

DATED: _____, 2020

TRAN LE

DATED: _____, 2020

APPROVED AS TO FORM:

CHUGH, LLP

DATED: _____, 2020

BY: _____
NAVNEET CHUGH
ATTORNEY FOR DEFENDANT

HAINES LAW GROUP, APC

DATED: 01/05_____, 2021

BY: 

PAUL K. HAINES
ATTORNEY FOR PLAINTIFFS AND
SETTLEMENT CLASS

SIGNATURE PAGE

ARCH TELECOM INC.

DATED: _____, 2020

By: _____
Its: _____

RYAN J. MOLALE

DATED: _____, 2020

GEORGE TORRES



George Torres (Dec 30, 2020 02:42 MST)

DATED: 12/30, 2020

TRAN LE

DATED: _____, 2020

APPROVED AS TO FORM:

CHUGH, LLP

DATED: _____, 2020

BY: _____
NAVNEET CHUGH
ATTORNEY FOR DEFENDANT

HAINES LAW GROUP, APC

DATED: _____, 2020

BY: _____
PAUL K. HAINES
ATTORNEY FOR PLAINTIFFS AND
SETTLEMENT CLASS

SIGNATURE PAGE

ARCH TELECOM INC.

DATED: _____, 2020

By: _____
Its: _____

RYAN J. MOLALE

DATED: _____, 2020

GEORGE TORRES

DATED: _____, 2020

TRAN LE

DATED: December 31, 2020

APPROVED AS TO FORM:

CHUGH, LLP

DATED: _____, 2020

BY: _____
NAVNEET CHUGH
ATTORNEY FOR DEFENDANT

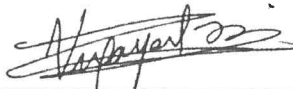
HAINES LAW GROUP, APC

DATED: _____, 2020

BY: _____
PAUL K. HAINES
ATTORNEY FOR PLAINTIFFS AND
SETTLEMENT CLASS

SIGNATURE PAGE

ARCH TELECOM INC.



DATED: December 18, 2020

By: Vijayant Ghai

Its: CEO

RYAN J. MOLALE

DATED: _____, 2020

GEORGE TORRES

DATED: _____, 2020

TRAN LE

DATED: _____, 2020

APPROVED AS TO FORM:

CHUGH, LLP



DATED: 01/05/2021, 2020

BY: _____

NAVNEET CHUGH
ATTORNEY FOR DEFENDANT

HAINES LAW GROUP, APC

DATED: _____, 2020

BY: _____

PAUL K. HAINES
ATTORNEY FOR PLAINTIFFS AND
SETTLEMENT CLASS

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

GEORGE TORRES, ET AL.,

Plaintiffs,

vs.

ARCH TELECOM, INC.,

Defendant.

Case No. C20-01679

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

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

Why should you read this Notice?

The Contra Costa County Superior Court (“Court”) has granted preliminary approval of a proposed class and representative action settlement (the “Settlement”). The Settlement resolves three lawsuits entitled *George Torres v. Arch Telecom, Inc.*, Contra Costa County Superior Court Case No. C20-01679; *Ryan Molale v. Arch Telecom, Inc., et al.*, Contra Costa County Superior Court Case No. C19-00279; and *Tran Le v Arch Telecom, Inc.*, Los Angeles County Superior Court Case No. 19STCV00027 (collectively, the “Litigation”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from the Settlement. Defendant Arch Telecom, Inc.’s (“Arch”) records show that you are part of one of the following two groups of Arch employees:

“Non-Release Sub-Class”: All current and former non-exempt employees who worked for Arch in California at any time from October 18, 2014 until <<PRELIM APPROVAL DATE>> (the “Class Period”), and who did not sign an individual settlement and release pursuant to Arch’s *Pick Up Stix* campaign; and

“Release Sub-Class”: All current and former non-exempt employees who worked for Arch in California at any time during the Class Period and who did sign an individual settlement and release pursuant to Arch’s *Pick Up Stix* campaign.

Collectively, the “Non-Release Sub-Class” and “Release Sub-Class” are referred to as the “Settlement Class.”

The purpose of this Notice is to provide you with a brief description of the Litigation, to inform you of the terms of the proposed Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

In the Litigation, Plaintiffs George Torres, Ryan Molale, and Tran Le (“Plaintiffs”) collectively allege that Arch: (i) failed to pay all earned minimum wages under California law; (ii) failed to pay all earned overtime wages under California law; (iii) failed to provide all legally required meal periods under California law; (iv) failed to authorize and permit all legally required rest periods under California law; (v) failed to indemnify employees for all necessary business expenses; (vi) failed to furnish accurate, itemized wage statements under California law; (vii) failed to pay all final wages due at termination of employment under California law; (viii) failed to provide suitable seating; (ix) unlawfully withheld wages owed; and, as a result of the foregoing violations, committed unfair business practices under California law and is subject to civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code § 2698 *et seq.*

Plaintiffs are known as the “Class Representatives,” and their attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Arch denies that it has done anything wrong. Arch denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Arch, who expressly denies all liability.

The Court has not ruled on the merits of Plaintiffs’ claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Arch has concluded that it is in its best interests and the interests of Settlement Class members to settle the Litigation on the terms summarized in this Notice. After Arch provided relevant information to Class Counsel, the Settlement was reached after mediation and arm’s-length negotiations between the parties.

The Class Representatives and Class Counsel also support the Settlement. Among the reasons for support are the defenses to liability potentially available to Arch, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Arch, your decision about whether to participate in the Settlement will not affect your employment. California law and Arch’s company policies strictly prohibit unlawful retaliation. Arch will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member’s decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiffs / the Settlement Class:	Attorneys for Arch:
HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Tuvia Korobkin tkorobkin@haineslawgroup.com Alexandra R. McIntosh amcintosh@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	CHUGH LLP Nishita Patel Nishita.Patel@Chugh.com Varduhi Danielyan Varduhi.Danielyan@Chugh.com 15925 Carmenita Road Cerritos, CA 90703 Tel.: (562) 229-1220 Fax: (562) 229-1221 chugh.com

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified, for settlement purposes only, a Settlement Class consisting of the “Non-Release Sub-Class” and the “Release Sub-Class.” Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice **will be bound** by the Settlement and will release their claims against Arch as specifically described below.

Arch has agreed to pay \$750,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Litigation, including claims by eligible Settlement Class members, attorneys’ fees, costs, Settlement administration costs, PAGA civil penalties, and the Class Representatives’ incentive awards.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties

relating to the Settlement. The Court has approved setting aside up to \$14,000.00 from the Gross Settlement Amount to pay the Settlement Administration Costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Litigation on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. As reasonable compensation for the work Class Counsel performed and will continue to perform in the Litigation, Class Counsel will ask for fees equal to one-third of the Gross Settlement (currently estimated to be \$250,000), plus \$13,650, which is one-third of the \$40,950 already paid by Arch in connection with the individual releases it obtained from Release Sub-Class members as part of the *Pick Up Stix* campaign, for a total of approximately \$263,650 in fees. Class Counsel will also ask for reimbursement of up to \$35,000.00 for reimbursement of verified costs Class Counsel incurred in connection with the Litigation.

Incentive Awards. Class Counsel will ask the Court to approve an incentive award of \$5,000 to each Class Representative (\$15,000.00 total). These awards are to compensate the Class Representatives for their service and extra work provided on behalf of the Settlement Class members, as well as their general release of claims that they have agreed to as part of the Settlement.

PAGA Civil Penalties. The parties have agreed to allocate \$50,000.00 of the Gross Settlement Amount as PAGA civil penalties. Pursuant to the PAGA, 75% of this amount, or \$37,500.00, will be paid to the California Labor & Workforce Development Agency ("LWDA"). The remaining \$12,500.00 has been designated as the "PAGA Amount" and will be paid to certain Settlement Class members as described below.

Calculation of Settlement Shares. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount ("NSA"). The NSA is currently estimated at \$372,350. The Settlement Administrator will calculate payments from the NSA to all participating Settlement Class members, as follows:

- (i) Payments to Non-Release Sub-Class members: First, approximately \$226,500 will be paid to members of the Non-Release Sub-Class. Each participating Non-Release Sub-Class member shall receive a payment based on the number of months, if any, they were employed with Arch prior to May 31, 2020. Specifically, if the employee was employed over 0 months and up to 3 months prior to May 31, 2020, they will receive \$100.00; if the employee was employed over 3 months and up to 6 months prior to May 31, 2020, they will receive \$150.00; if the employee was employed over 6 months and up to 11 months prior to May 31, 2020, they will receive \$200.00; if the employee was employed over 11 months and up to 24 months prior to May 31, 2020, they will receive \$250.00; if the employee was employed over 24 months and up to 48 months prior to May 31, 2020, they will receive \$300.00; and, if the employee was employed over 48 months prior to May 31, 2020, they will receive \$350.00. This represents the payment that Non-Release Sub-Class members would have received had they signed the release Arch offered to employees after the Litigation was initiated.
- (ii) Payments to all Settlement Class members: Once the above payments to Non-Release Sub-Class members are made, the remaining portion of the NSA will form the "Settlement Remainder," which will be distributed to all participating Settlement Class members. The Settlement Remainder will be allocated proportionally based on each participating Settlement Class member's total workweeks worked for Arch as a non-exempt employee in California during the Class Period.
- (iii) PAGA Payment: In addition to the NSA, \$12,500.00 of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above, and will be allocated proportionally based on each participating Settlement Class member's total pay periods (if

any) worked for Arch as a non-exempt employee in California from October 18, 2017 through <<PRELIM APPROVAL DATE>> (the “PAGA Period”).

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Shares will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion (defined below).

Allocation and Taxes. For tax purposes, Settlement Shares shall be treated as follows: one-third to wages, for which IRS forms W-2 will be issued; and one-third as penalties and one-third as interest, for which IRS forms 1099 will be issued. Settlement Class members are responsible for the proper income tax treatment of the Settlement Shares. The Settlement Administrator, Arch and its counsel, and Plaintiffs and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, and upon the Settlement being fully funded, the Class Representatives, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will release Arch, its past, current or future subsidiaries, parents, predecessors, affiliates, divisions, joint ventures, licensees, franchisees and any other legal entities, whether foreign, domestic, that are owned and controlled by Arch, as well as its past, current or future insurers, agents, employees, consultants, independent contractors, successors, assigns, officers, officials, directors, members, attorneys, executors, and shareholders, (collectively, the “Released Parties”) from all claims and/or causes of action under California law that arose during the Class Period and were pled in, or could have been pled based on the factual allegations set forth in, any of the Complaints filed in the Actions, including claims for (a) failure to pay all minimum wages owed, (b) failure to pay all overtime wages owed, (c) failures to provide meal periods, (d) failure to authorize and permit rest periods, (e) failure to indemnify all necessary business expenses incurred, (f) failure to provide accurate itemized wage statements, (g) failure to timely pay final wages, (h) failure to provide suitable seating, (i) unlawful withholding of the wages owed, (j) claims for PAGA civil penalties based on the foregoing Labor Code violations; and (k) all claims for unfair business practices that could have been premised on the legal theories described above (“Class Members’ Released Claims”). The release contemplated herein shall be effective with respect to all Settlement Class members (except those who opt out), regardless whether the Settlement Class members cash their Settlement Award checks.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, and adequate, and the Court’s entry of judgment.

Settlement Funding. The Settlement will be funded by Arch in 18 equal monthly installments of \$41,666.67, with the first installment due on November 1, 2020. Payments to Settlement Class members will be disbursed approximately 30 days after the Settlement has received final approval and is fully funded.

How do I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement (“Settlement Award”) based on whether you previously signed a *Pick Up Stix* release with Arch, the number of workweeks you worked for Arch during the Class Period, and the number of pay periods you worked for Arch during the PAGA Period, as stated in the enclosed Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated herein.

What other options do I have?

Disputing Information in Notice of Estimated Settlement Award. As stated above, your Settlement Award is based on whether you previously signed a *Pick Up Stix* release with Arch; if you did not sign a *Pick Up Stix* release, the length of your employment with Arch prior to May 31, 2020; the number of workweeks you worked for Arch during the Class Period; and your number of pay periods worked for Arch during the PAGA Period. The information contained in Arch’s records regarding each of these factors is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in

accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or postcard postmarked no later than <<RESPONSE DEADLINE>>, with your full name, current address and telephone number, last four digits of your social security number, and your signature. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE TORRES V. ARCH TELECOM, INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be deemed invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. If you do not submit a Request for Exclusion, you have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written objection to the Settlement Administrator. Your written objection must include: your full name, current address, telephone number, and e-mail address; the name, address, telephone number, and e-mail address of any attorney representing you; the case name and number; each specific reason in support of your objection; and any legal or factual support for each objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence. Objections must be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to submit a written objection to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 39 of the Contra Costa County Superior Court, located at 725 Court Street, Martinez, California 94553. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Torres v. Arch Telecom, Inc.*, Contra Costa County Superior Court Case No. C20-01679.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 39 of the Contra Costa County Superior Court, located at 725 Court Street, Martinez, California 94553. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of expenses and the incentive awards to the Class Representatives. The Final Approval Hearing may be postponed without further notice to the

Settlement Class. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Litigation and the Settlement. For more information, you may review the Court's files at the Court Records department of the Contra Costa Superior Court located at 1111 Ward Street, Martinez CA 94553, from 8:00 a.m. to 3:00 p.m. Monday through Friday, except court holidays. You can also review the court file online at the Court's website: <http://icms.cc-courts.org/tellme/>. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, ARCH, OR ARCH'S ATTORNEYS FOR
INFORMATION ABOUT THIS SETTLEMENT**

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

EXHIBIT B

NOTICE OF ESTIMATED SETTLEMENT AWARD

GEORGE TORRES V. ARCH TELECOM INC., CONTRA COSTA COUNTY CASE NO. C20-01679

Please complete, sign, and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

Phone number (if you wish to be contacted by phone)

(III) Information Used to Calculate Your Estimated Settlement Award:

According to Arch Telecom, Inc.'s ("Arch") records:

- (a) you <<DID/DID NOT>> sign a release with Arch pursuant to its *Pick Up Stix* campaign.
- (b) **If Non-Release member:** you worked _____ months for Arch prior to May 31, 2020;
- (c) you worked _____ workweeks as a non-exempt employee for Arch in California between October 18, 2014 and <<PRELIM APPROVAL DATE>>; and
- (d) you worked _____ pay periods as a non-exempt employee for Arch in California between October 18, 2017 and <<PRELIM APPROVAL DATE>>.

Based on the above, your Settlement Award is estimated at \$ _____.

(IV) If you disagree with any of the items in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from Arch's records, Arch's records will control unless you are able to provide documentation that establishes that Arch's records are mistaken. If there is a dispute about whether Arch's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Class Action Settlement" that accompanies this Form. The Settlement Administrator's determination will be final.

Date: _____

Signature: _____

ANY DISPUTES (INCLUDING SUPPORTING DOCUMENTS) MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.