

LEGAL NOTICE

Joh, et al. v. American Income Life Insurance Company

A California federal court authorized this Notice. This is not a solicitation from a lawyer.

If you trained to become and/or worked as a sales agent in California for American Income Life Insurance Company (“AIL”) at any time between September 12, 2014 and August 16, 2019, a class action lawsuit may affect your rights, and you may be eligible to receive a Settlement Check in the mail.

- Former sales agent trainees and sales agents have sued AIL, alleging that AIL violated certain provisions of the California Labor Code.
• The case was brought as a class action on behalf of all individuals who trained to become and/or worked as sales agents for AIL in California since September 12, 2014 and whose training and/or work began before August 16, 2019.
• The Court has not decided whether AIL did anything wrong.
• You may have received a prior notice relating to this same case. The Court did not approve the prior allocation of payments in that previous Settlement, and so no Settlement Checks were sent. This Notice concerns a new proposed Settlement in this case, which the Court has preliminarily approved. Your options related to this new proposed Settlement are outlined below.

Your Legal Rights Are Affected Even If You Do Not Act. Read This Notice Carefully.

Table with 2 columns: You May: and Summary: containing options like Do Nothing, Exclude Yourself, Object, and Speak at the Final Approval Hearing.

The deadline for making this decision is: November 3, 2020
AIL will not retaliate against you for participating in this Settlement.

BASIC INFORMATION

1. Why did I get this Notice?

The Court is providing this Notice to inform you and other Class Members about the proposed Settlement of this class action lawsuit before the Court decides whether to give Final Approval to the Settlement. This Notice explains the lawsuit, the Settlement, your legal rights, your options, who is eligible to receive the Settlement Checks and other benefits under the Settlement, and how to get them.

Judge Thomas S. Hixson, Magistrate Judge of the United States District Court for the Northern District of California in San Francisco, is overseeing this class action. The lawsuit is known as Joh, et al. v. American Income Life Insurance Company, Civil Case No. 3:18-CV-06364-TSH.

You may have received a prior notice relating to this same case. Judge Hixson did not approve the prior allocation of payments in the previous version of the Settlement. This Notice concerns a new proposed Settlement in the case.

2. What is this lawsuit about?

This lawsuit claims that AIL violated the California Labor Code as well as Industrial Welfare Commission, Wage Order Number 4 and California's Unfair Competition Law by failing to pay for all hours worked, including wages for time spent training, failure to pay overtime for overtime hours worked, failure to provide meal and rest breaks, waiting time penalties, failure to provide accurate wage statements, and failure to reimburse work-related expenses. AIL has denied all these claims.

3. What is a class action and who is involved?

In a class action lawsuit, the "Class Representatives" (in this case, David Joh, David Hamilton, and Bridget Smith) sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The people who sue are called the "Plaintiffs." The company or persons they sued (in this case, AIL) are called the "Defendants." One court resolves the issues for everyone in the Class. All decisions that this Court makes concerning the Settlement will affect all Class Members.

The Court has allowed this case to go forward as a class action only for purposes of the Settlement. If this Settlement is not approved, the Plaintiffs will need to demonstrate to the Court that the case should go forward as a class action.

4. Why is there a Settlement?

Instead of litigating whether class treatment is appropriate and going to trial, the Plaintiffs and the Defendant attended a mediation (or negotiation session), and both sides agreed to this Settlement. That way, both sides can avoid the cost and risk of a contested motion for class certification and trial, and the Class Members will receive compensation. The Class Representatives and Class Counsel think it is in the best interest of the Class to settle this case on the terms described below. Although the Plaintiffs believe they might have obtained more money if they had gone to trial and won, the Defendant believes the Plaintiffs would not have prevailed at all. Because both sides were aware that going to trial presented risks for their side, a Settlement was reached. The Court has not decided whether the Plaintiffs' position or the Defendant's position is the correct one.

5. How do I know if I am part of the Settlement?

If you trained to become and/or worked as a sales agent for AIL in California since September 12, 2014 and your training and/or work began before August 16, 2019, and you do not choose to opt out of this Settlement, you are part of the Settlement, and you will receive a Settlement Check from the revised Settlement if it is finally approved. As part of the revised version of the Settlement, you may be receiving up to two different amounts from two different settlement funds: (1) the **All Trainees and Agents Fund** and (2) the **Terminated Trainees and Agents Fund**.

For the **All Trainees and Agents Fund**, all Class Members are entitled to receive a payment from this fund based on the number of weeks that the Class Member trained and/or worked as a sales agent for AIL during the relevant time period. If you received this Notice, AIL's records indicate that you are a Class Member. For the **Terminated Trainees and Agents Fund**, you are entitled to receive an additional per-person payment from this fund if your association with AIL ended at some point between September 12, 2015 and August 16, 2019. Further information on these two funds is provided below in Section 7.

TERMS OF THE SETTLEMENT

6. What does the Settlement provide?

AIL has settled for a gross Total Settlement Amount of \$5,750,000. All the participating Class Members who can be found by the Settlement Administrator are entitled to Settlement Checks, as explained below.

- If the Court approves the Settlement and all requests for attorneys' fees and service payments described below, a total of **\$4,127,531.00** (or 72% percent of the Total Settlement Amount) will be distributed to Class Members. **Settlement Checks will be mailed to each Class Member.** Go to Section 9 for directions on how to update your address. This amount is divided into the two settlement funds as follows: **\$2,522,030.04** will be placed in the All Trainees and Agents Fund, and **\$1,605,500.96** will be placed in the Terminated Trainees and Agents Fund. The division of Settlement proceeds between these two funds is based on the Plaintiffs' estimate of the value of their legal claims associated with each fund.

- **\$1,437,500** (or 25 percent of the Total Settlement Amount) will go to Class Counsel’s attorneys’ fees, subject to the Court’s approval. Go to Section 19 for more information.
- **\$22,500** (or less than ½ of 1 percent of the Total Settlement Amount) will go to the three Class Representatives (\$7,500 each) for their service to the Class, subject to the Court’s approval. Go to Section 20 for more information.
- **Up to \$32,000** (or approximately ½ of 1 percent of the Total Settlement Amount) will go to Class Counsel to pay for the costs in this lawsuit, subject to the Court’s approval. Go to Section 19 for more information.
- **Up to \$55,000** (or approximately 1 percent of the Total Settlement Amount) will go to the Settlement Administrator to pay for the costs of administering this Settlement, subject to the Court’s approval. The Settlement Administrator is a third party and not affiliated with AIL or the Plaintiffs.
- **\$100,625** (or 1.75 percent of the Total Settlement Amount) will be allocated as penalties under the Labor Code Private Attorneys General Act of 2004, with \$75,469 (or 75% of this amount) being awarded to the State of California and \$25,156 (or 25% of this amount) being allocated to the Net Settlement Fund and awarded to the Class Members, subject to the Court’s approval.

7. How much will my Settlement Check be?

Each Class Member’s share of the Settlement money will come from either one or two different funds: (1) the All Trainees and Agents Fund, which will be divided based on each Class Member’s workweeks, and (2) the Terminated Trainees and Agents Fund, which will be divided evenly among those Class Members whose affiliation with AIL ended at some point between September 12, 2015 and August 16, 2019.

Your share of the All Trainees and Agents Fund will be based on the number of your workweeks, or the number of weeks you spent training to become a sales agent and/or working as a sales agent. Because of the different claims associated with the time worked as trainees and as agents, the weeks spent in training will be valued at 2X, and the weeks spent working as a sales agent will be valued at 1X. For example, if you trained to become a sales agent for 3 weeks, and you worked as a sales agent for 10 weeks, you would be credited for 6 (or 3 x 2) weeks plus 10 weeks (or 10 x 1) = 16 workweeks. If you spent 4 weeks training to become a sales agent and worked as a sales agent for 40 weeks, you would be credited for 8 (or 4 x 2) weeks plus 40 weeks (or 40 x 1) = 48 workweeks. Go to Section 9 for directions on how to check your workweeks number.

California law provides a claim, Labor Code § 203, that is potentially available *only* to employees who stopped working for their employer. It has a three-year statute of limitations. The Terminated Trainees and Agents Fund is intended for those Class Members who have a potential Labor Code § 203 claim. If your affiliation with AIL ended at some point between September 12, 2015 and August 16, 2019, you will receive a portion of the Terminated Trainees and Agents Fund, which will be divided equally among every Class Member who is entitled to a payment from this fund.

You will receive a single Settlement Check, for a total amount, from one or both of these funds.

8. When will I get my Settlement Check?

Settlement Checks will be mailed out twenty (20) days after the Settlement has become “final”—that is, after all objections and appeals have been resolved in the case. However, if no objections and appeals are submitted or if all objections and appeals are resolved before or at the Final Approval Hearing, the Settlement will become final if and when the Court enters an Order granting final approval to the Settlement. The Final Approval Hearing is currently scheduled for January 7, 2021. Please be patient.

9. How do I help make sure my Settlement Check has the correct amount of money and is sent to the correct address?

You should review the information on your Class Member Information Form to make sure it is accurate. If it is accurate, you do not have to send in any response in order to participate in the Settlement and receive a Settlement Check. If it is inaccurate, you should fully fill out the Information Form, indicating all corrections, and send it postmarked by November 3, 2020 to:

**AIL Settlement Administrator
P.O. Box 43208
Providence, RI 02940-3208**

You may also call 1-866-571-7808 to provide your corrections via telephone.

You should make a copy of your Information Form for your records. You may want to send it via certified or registered mail, and keep the receipt, in case there is a problem with your Form. If you send in documents with your Information Form, you should send copies and keep your originals.

If you move, you must send or call in your new address. You should keep a current address on file with the Settlement Administrator at all times. Call 1-866-571-7808 if you have a new address.

10. What am I giving up if I take the Settlement Check?

All Class Members who stay in the Class give up or “release” their legal claims against AIL, its past or present parent companies and subsidiaries and any State General Agents with whom individuals trained to become and/or worked as sales agents in California. ***To be clear, if you do not “opt out” of this Class, you give up or “release” any legal claims in this lawsuit, and any legal claims that reasonably arise out of the facts alleged in the lawsuit, regardless of whether you cash your Settlement Check or receive any money in this Settlement.*** The following is the full text of your legal release. Please read it carefully:

The Plaintiffs and all Settlement Class Members (and their assigns, heirs, successors and personal representatives) fully release and forever discharge the Released Parties from any and all rights, duties, obligations, claims, counterclaims, defenses, actions, causes of action, expenses, attorneys’ fees, costs or liabilities (including penalties of every kind or nature whatsoever), whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, punitive or compensatory as of the date of the Final Approval Order/Judgment: (a) that were brought by the Plaintiffs in the Action; or (b) that reasonably arise out of the facts alleged in the Action.

The Parties intend for the release to be sufficiently broad enough to cover all claims brought on behalf of all individuals who trained to become and/or worked as sales agents in California for the Defendant during the last four years prior to the filing of the original complaint in *Joh*, including the claims asserted in the complaint in *Joh* as well as claims asserted in the following related cases that were filed after this case: *Hamilton v. American Income Life Insurance Co.*, 4:18-cv-07535-KAW (N.D. Cal.), *Golz v. American Income Life Insurance Co.*, 18-CV-09879 (C.D. Cal.) and *Putros v. American Income Life Insurance Co.*, Case No. 30-2019-01044772-CU-OE-CXC (Orange Cty. Sup. Ct.). For more information regarding the release and Released Parties, please refer to the settlement agreement, which can be found at www.AILclassaction.com.

Please call Class Counsel at 510-350-9700, if you have questions about this release.

EXCLUDING YOURSELF (“OPTING OUT”)

11. What is “opting out”?

If you want to keep the right to sue AIL on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself from or “opting out” of the Class. **If you opt out, you will not receive a payment from the Settlement.**

12. How do I “opt out” of this Settlement?

If you want to “opt out” of the Settlement, you must send a letter by mail stating that you want to “opt out” or be excluded from *Joh, et al. v. AIL*. Be sure to include your name, address, telephone number, and your signature. You must mail your letter postmarked no later than **November 3, 2020** to:

**AIL Settlement Administrator
P.O. Box 43208
Providence, RI 02940-3208**

You should make a copy of your letter for your records. You may want to send it via certified or registered mail, and keep the receipt, in case there is a problem with your letter.

If you ask to opt out, you will not get a Settlement Check or any benefits under the Settlement. You also **cannot** object to the Settlement. You will not be legally bound by anything that happens in this case. You may be able to sue AIL in the future on the claims that were asserted in this case.

OBJECTING TO THE SETTLEMENT

13. What's the difference between opting out and objecting?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object *only if* you stay in the Class. Opting out is telling the Court that you don't want to be part of the Class. If you opt out, you may not object to the Settlement because the case no longer affects you.

14. How do I object to the Settlement?

You can object to the entire Settlement or any part of it. You must give reasons why you think the Court should not approve it. The Court will consider your views. But you will still be bound by all the Court's orders, even if your objection is rejected. If you file an objection, you will still receive a settlement payment. To object, you must send a letter saying that you object to the Settlement in *Joh, et al. v. AIL*. Be sure to include your name, address, telephone number, your signature, and the reasons you are objecting to the Settlement. To be considered, your objection must be postmarked and mailed by no later than **November 3, 2020** to the following address:

**AIL Settlement Administrator
P.O. Box 43208
Providence, RI 02940-3208**

You should make a copy of your letter for your records. You may want to send it via certified or registered mail, and keep the receipt, in case there is a problem with your letter.

THE COURT'S FINAL APPROVAL HEARING

15. 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 January 7, 2021, at the United States District Court for the Northern District of California located at 450 Golden Gate Ave., San Francisco, CA 94102, in Courtroom G (15th Floor). Due to precautions related to the COVID-19 pandemic, Judge Hixson may also decide to hold the Final Approval Hearing remotely, in which case attendance instructions will be posted on the Settlement website when available. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Hixson will also listen to people who wish to speak at the hearing. You are welcome to come at your own expense. If you have submitted a written objection, you don't have to come to the Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary. After the hearing, the Court will decide whether to approve the Settlement.

16. May I speak at the Final Approval Hearing?

If you have submitted a timely objection and have not opted out of the Settlement, you may appear and address the Court at the Final Approval Hearing concerning the Settlement and your objection to it should you wish to do so. If you have not opted out of the Settlement but did not submit a timely objection, you may also appear at the Final Approval Hearing and address the Court concerning the Settlement should you wish to do so.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, a Settlement Check will be mailed to you automatically at the same address to which this Notice was sent. You give up your right to sue on your own regarding all claims that are part of this Settlement. Unless you opt out of or object to the Settlement, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the legal issues in this case (*see* Section 10, above, which describes the claims being released).

THE LAWYERS AND CLASS REPRESENTATIVES REPRESENTING YOU

18. Do I have lawyers in this lawsuit?

Michael Gould and Aarin Zeif of The Gould Law Firm and Steven Tindall and Amanda Karl of Gibbs Law Group LLP represent you and other Class Members. These lawyers are called "Class Counsel." These lawyers are being paid out of the Net Settlement Fund, and you will not be charged separately for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

19. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to 25% of the settlement fund (or \$1,437,500) for attorneys' fees and up to \$32,000 in costs and expenses associated with investigating the facts, litigating the case, and negotiating the Settlement. This amount is to be deducted from the \$5,750,000 Total Settlement Sum.

20. What are the Class Representatives getting?

Class Counsel will also ask the Court to approve an award of up to \$7,500 for each of the three Class Representatives, for a total of \$22,500 for the Class Representatives. This proposed award for the Class Representatives is in addition to the settlement payment they are entitled to as Class Members, and is for the risk that they undertook when they filed this lawsuit and the time and effort they spent on your behalf in bringing this lawsuit.

GETTING MORE INFORMATION

21. What if I still have questions?

This Notice summarizes the proposed Settlement. More details are available in the Joint Stipulation of Class Action Settlement and other important documents such as the Complaint. Visit the website www.AILclassaction.com, where you will find the following documents: the Second Amended Complaint that the Plaintiffs submitted, the Defendants' Answer to the Complaint, as well as all the papers regarding the approval of this class action settlement.

You may also speak to, write to, or email one of the Class Counsel lawyers by contacting them at the phone numbers and addresses below:

Michael Gould and Aarin Zeif
The Gould Law Firm
17822 E. 17th Street, Suite 106
Tustin, CA 92780
Telephone: (714) 669-2850
Email: Aarin@wageandhourlaw.com

Steven Tindall and Amanda Karl
Gibbs Law Group LLP
505 14th Street, Suite 1110
Oakland, CA 94612
Telephone: (510) 350-9245
Email: smt@classlawgroup.com

Alternatively, all of the pleadings and other records in this litigation may be examined through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Ave., San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.