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17 **UNITED STATES DISTRICT COURT FOR THE**
18 **NORTHERN DISTRICT OF CALIFORNIA**

19 DAVID JOH, *et al.*,

20 Plaintiffs,

21 vs.

22 AMERICAN INCOME LIFE INSURANCE
23 COMPANY, *et al.*,

24 Defendants.

Case No. 3:18-CV-06364-TSH

**DECLARATION OF STEVEN M. TINDALL
IN SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
REVISED CLASS ACTION SETTLEMENT**

Date: September 10, 2020

Time: 10:00 A.M.

Judge: Hon. Thomas S. Hixson

1 I, Steven M. Tindall, declare as follows:

2 1. I am a member of the Bar of the State of California and am admitted to practice
3 before this Court. I make this declaration in support of Plaintiffs’ Motion for Preliminary Approval
4 of Revised Class Action Settlement. I have personal knowledge of the facts set forth in this
5 declaration and, if called upon to do so, could and would testify competently thereto, except where I
6 make a statement on information and belief, in which case I am informed and believe the statement
7 to be true.

8 2. I am a partner in the law firm of Gibbs Law Group LLP (“GLG”), counsel of record
9 for Plaintiffs and proposed Class Representatives David Hamilton and Bridget Smith.

10 3. Attached to this Declaration as **Exhibit A** is a Settlement Agreement entered into
11 between Plaintiffs Joh, Hamilton, Smith, and the proposed Settlement Class, on one hand, and
12 Defendant American Income Life Insurance Company, on the other. Attached to the Settlement
13 Agreement is the revised Class Notice. Attached to this Declaration as **Exhibit B** is the revised
14 Class Member Information Form.

15 4. Since the Court denied final approval of the parties’ prior submitted settlement
16 agreement on April 15, 2020 (Dkt. # 65), the parties have worked diligently to re-design the
17 Settlement’s method of distribution of settlement funds to Class Members and thereby address the
18 Court’s concerns regarding equitable distribution to trainee-only Class Members. These Class
19 Members may be entitled to substantial waiting time penalties under California Labor Code § 203,
20 and, as the Court noted, these potential § 203 penalties formed a sizeable portion of Plaintiffs’
21 estimated damages calculation.

22 5. The revised Settlement Agreement’s main change from the previously-submitted
23 settlement agreement is the implementation of two sub-funds out of which Class Members’
24 estimated settlement proceeds will be paid—(1) a Terminated Trainees and Agents Fund and (2) an
25 All Trainees and Agents Fund. The Terminated Trainees and Agents Fund will be distributed
26 equally to all who are potentially entitled to Labor Code § 203 penalties (that is, all Class Members
27 who were terminated by the end of the class period and within § 203’s three-year statute of
28 limitations). The All Trainees and Agents Fund will be distributed on a per-workweek basis as

1 contemplated in the prior iteration of the settlement. Distributing the proceeds out of each fund in
2 this manner accounts for both the substantial proportion of § 203 penalties that accrue on a per-
3 person basis, as well as the damages from the other claims that accrue on a workweek basis—that is,
4 as a result of time worked at AIL.

5 6. To allocate the Net Settlement Amount between these two sub-funds, the parties first
6 re-calculated Plaintiffs’ estimated damages with the benefit of more definite Class Member data,
7 which identifies a total of 7,015 Class Members. This refined and more precise data was available to
8 the parties because the Settlement Class is defined to include those whose training or work “began
9 before August 16, 2019 (the date of preliminary approval of the earlier version of this Settlement).”
10 SA ¶ II(D). Using the same formulas Plaintiffs’ previously used, the parties updated Plaintiffs’
11 damages estimates as follows.

12 7. For **§ 203 waiting-time penalties**, there were 5,129 Class Members who were
13 terminated within the 3-year § 203 statute of limitations period (from September 10, 2015 through
14 the end of the Class Period). This total includes 1,326 “pure trainees” (that is, trainees who did not
15 become agents) and 3,803 agents (including trainees who then became agents). Assuming 8-hour
16 workdays at \$11 per hour, as Plaintiffs did previously, and assuming the full 30-day time period for
17 § 203 penalties, Plaintiffs calculated the estimated damages stemming from waiting time penalties as
18 follows: 5,129 terminated Class Members x 8 hours x \$11 per hour x 30 days = \$13,540,560.

19 8. For **trainee missed meal and rest breaks**, there were 20,742 unweighted training
20 workweeks in the Class Period. Under the Labor Code, damages for missed meal and rest breaks are
21 calculated at one hour of pay for each missed break. Assuming two missed meal breaks and one
22 missed rest break per week at \$11 per hour, as Plaintiffs did previously, Plaintiffs calculated the
23 estimated damages stemming from trainee missed meal and rest breaks as follows: 20,742 training
24 workweeks x (2 meal + 1 rest per week) x \$11 per hour = \$684,486.

25 9. For **agent missed meal and rest breaks**, there were 157,482 agent workweeks.
26 Making the same assumptions, as Plaintiffs did previously, Plaintiffs calculated the estimated
27 damages stemming from agent missed meal and rest breaks as follows: 157,482 agent workweeks x
28 (2 meal + 1 rest per week) x \$11 per hour = \$5,196,906.

1 10. For **Labor Code § 226 wage-statement penalties**, a total of 3,170 Class Members
 2 (including 2,472 agents and 698 non-agent trainees) would fall within the one-year § 226 statute of
 3 limitations period. Assuming \$50 for any initial pay period violation, and \$100 for violation in a
 4 subsequent period, as Plaintiffs' did previously, Plaintiffs calculated the estimated damages
 5 stemming from § 226 penalties as follows: \$150 (initial and subsequent violations) x 3,170 Class
 6 Members = \$475,500.

7 11. For **chargebacks**, Plaintiffs estimated, as they did previously, a total of \$200 in
 8 chargebacks per agent. Because there are 5,313 agent Class Members in total, Plaintiffs estimated
 9 the damages resulting from chargebacks as 5,313 agents x \$200 per agent = \$1,062,600.

10 12. For **expense reimbursement**, Plaintiffs previously estimated \$30 per week per agent
 11 in unreimbursed costs. Plaintiffs calculated their estimated reimbursement damages as follows:
 12 157,482 total workweeks x \$30 per week = \$4,724,460.

13 13. Finally, for **trainee unpaid minimum wage**, Plaintiffs estimated, as they did
 14 previously, 40 hours per week worked at \$11 per hour. This amounts to \$9,126,480 in estimated
 15 damages for trainee unpaid minimum wage—that is, 20,742 unweighted training workweeks x 40
 16 hours/week x \$11 per hour.

17 14. With these updated calculations, Plaintiffs' total estimated damages are **\$34,810,992**,
 18 or \$13,540,560 (§ 203 penalties) + \$684,486 (trainee meal & rest) + \$5,196,906 (agent meal & rest)
 19 + \$475,500 (§ 226) + \$1,062,600 (chargebacks) + \$4,724,460 (reimbursement) + \$9,126,480 (trainee
 20 unpaid minimum wage). The \$5.75 million Settlement Fund amounts to approximately 16.5% of
 21 Plaintiffs' estimated damages—that is, \$5.75 million ÷ \$34,810,992—which in my experience, and
 22 in light of the authorities previously cited by the parties and in the Court's January 9, 2020 Order
 23 (Dkt. # 53 at 13-14), is a fair and adequate settlement.

24 15. Assuming all requested payments are made from the Gross Settlement, the Net
 25 Settlement Fund will total \$4,127,531—that is, the total settlement amount of \$5,750,000 less
 26 requested attorneys' fees (\$1,437,500), costs (up to \$32,000), service awards for the named Plaintiffs
 27 (\$22,500), payment to the LWDA (\$75,469), and the amount allocated to administration costs
 28 (\$55,000). The parties agreed to allocate the Net Settlement Fund between the two sub-funds so that

1 the Terminated Trainees and Agents Fund is the same proportion of the Net Settlement Fund as the
2 § 203 estimated penalties are of Plaintiffs' total estimated damages. Specifically, the parties
3 multiplied the Net Settlement Fund (\$4,127,531) by the fraction of total penalties represented by the
4 § 203 penalties—that is, a fraction with the estimated § 203 penalties (\$13,540,560) as the
5 numerator, and the total estimated damages (\$34,810,992) as the denominator. (When converted to
6 a percentage, this fraction equals approximately 38.897%.) Multiplying the Net Settlement Fund by
7 this fraction equals \$1,605,500.96. This is the amount the parties designated for the Terminated
8 Trainees and Agents Fund, which will be distributed among all eligible Class Members equally.
9 Each of the Class Members entitled to a portion of this fund—including the trainees who never
10 became agents—will be entitled to approximately \$313, in addition to their workweek-based
11 distributions, which they will receive from the other fund (the All Trainees and Agents Fund). Class
12 Members who were not terminated during the relevant period—and who therefore would not qualify
13 for Labor Code § 203 penalties—are not eligible to receive a distribution from the Terminated
14 Trainees and Agents Fund.

15 16. The remainder of the Net Settlement Fund (\$2,522,030.04) will be placed in the All
16 Trainees and Agents Fund. This sub-fund will be distributed to all Class Members on a workweek
17 basis that is unchanged from the last iteration of the settlement. All Class Members will receive a
18 payment from this fund, and (as described above) a subset of the Class Members (that is, the
19 terminated Class Members) will also receive, in addition, a payment from the Terminated Trainees
20 and Agents Fund.

21 17. The parties spent many hours re-negotiating and finalizing this distribution to Class
22 Members following the Court's denial of final approval, including conferring regularly, analyzing
23 data provided by AIL to confirm the allocations described above, and confirming that the parties
24 agree with the sub-fund distributions based on the math set forth above. In so doing, Plaintiffs and
25 Class Counsel have continued to zealously represent the Class. This revised settlement structure
26 accounts for the significant proportion of trainee-only waiting time penalties within Plaintiffs'
27 estimated damages, while also accommodating the greater potential damages over time accrued by
28 longer-term AIL trainees and agents with regard to their other Labor Code claims.

EXHIBIT A

1 Subject to approval by the United States District Court for the Northern District of
2 California (the “Court”), this Settlement Agreement and Release (“Settlement Agreement,”
3 “Settlement” or “Agreement”) sets forth the full and final terms by which Plaintiffs David Joh,
4 David Hamilton, and Bridget Smith (collectively, “Plaintiffs”), on the one hand, and American
5 Income Life Insurance Company (“AIL” or “Defendant”), on the other hand, have settled and
6 resolved all claims for the putative class in *Joh et al. v. American Income Life Insurance*
7 *Company*, No. 3:18-cv-06364 and *Hamilton et al. v. American Income Life Insurance Company*,
8 No. 4:18-CV-7535-KAW.

9 I. RECITALS

10 The following recitals are material terms of this Agreement, and all terms are used as
11 defined in Section II, below, except as otherwise defined herein. This Agreement is made by the
12 Parties, acknowledging that Defendant has vigorously denied and continues to deny all claims
13 asserted against it in the Action, deny all allegations of wrongdoing and liability, and deny all
14 material allegations in *Joh* and *Hamilton* and any related cases. Defendant contends that, if this
15 matter were to be further litigated, Defendant would have strong procedural and merits defenses.
16 The Parties desire to settle the Action on the terms set forth herein solely for the purpose of
17 avoiding the respective burden, expense, risk, and uncertainty of continuing these proceedings.
18 Nothing in this Agreement should be, is intended to be, or will be construed as an admission by
19 Defendant of any wrongdoing, or that Plaintiffs’ claims have merit or that Defendant has any
20 liability to Plaintiffs or the putative Class Members on those claims. The Parties stipulate to
21 class certification for settlement purposes only. Except for the narrow purpose of facilitating this
22 Settlement, the Parties’ stipulation to class certification has no value, evidentiary or otherwise, in
23 *Joh*, *Hamilton*, or any other legal proceeding brought in California or in any other jurisdiction,
24 under any circumstances.

25 A. On September 12, 2018, Plaintiff Joh filed his complaint against AIL in the
26 Superior Court of California for Contra Costa County, asserting alleged wage and hour
27 violations under the California Labor Code. Plaintiff Joh filed an amended Complaint seeking
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1 to recover wages, interest, civil penalties, penalties under the Private Attorneys General Act
2 (“PAGA”), restitution, and attorney’s fees and costs based upon the following causes of action:
3 (1) failure to pay wages/commission wages; (2) failure to pay all wages due at termination;
4 (3) unfair business practices; (4) improper/false/failure to provide paycheck stubs; (5) failure to
5 reimburse for all business-related expenses; and (6) penalties under PAGA. On October 17,
6 2018, AIL removed the case to the Northern District of California.

7 B. On December 14, 2018, Plaintiff Hamilton filed his complaint against AIL in the
8 United States District Court for the Northern District of California, asserting claims for alleged
9 wage and hour violations under the California Labor Code and unfair business practices.
10 Plaintiff Hamilton later amended the complaint to add Plaintiff Smith as a plaintiff. The
11 operative Complaint of Hamilton and Smith seeks to recover wages, interest, civil penalties,
12 penalties under PAGA, restitution, and attorney’s fees and costs based upon the following
13 causes of action: (1) failure to pay overtime; (2) failure to pay all wages due at termination;
14 (3) unfair business practices; (4) failure to provide proper paycheck stubs; (5) failure to
15 reimburse for all business-related expenses; (6) failure to pay minimum wages; (7) failure to
16 provide meal periods; (8) failure to provide rest breaks; and (9) penalties under PAGA.

17 C. On April 16, 2019, separate counsel for the *Joh* and *Hamilton* Plaintiffs and AIL
18 participated in an all-day mediation with David Rotman, a mediator with substantial experience
19 in mediating complex employment and wage-and-hour cases of this type. The Parties have
20 engaged in extensive, good faith, arm’s-length negotiations concerning the possible settlement
21 of the actions, in a formal, day-long mediation session. The Parties exchanged information
22 about the putative class and submitted detailed mediation submissions to Mr. Rotman, setting
23 forth their respective views as to the strengths of their cases. Although the Parties made
24 progress at the mediation, they did not resolve the matter. These proceedings, and the multiple
25 negotiations and discussions that followed, resulted in an independent mediator’s proposal that
26 Mr. Rotman, with knowledge of the circumstances underlying the pending actions,
27 recommended that the Parties accept. After separate deliberation, each of the Parties accepted
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1 the independent mediator's proposal and reached an Agreement in principle on April 25, 2019.
2 Mr. Rotman made clear that he was open to additional consultation should the Parties find it
3 helpful while negotiating this more formal Settlement Agreement, a service the Parties utilized.

4 D. The Parties entered into a memorandum of understanding, and further agreed to
5 enter into a detailed settlement agreement containing the terms of the agreement. Plaintiffs
6 filed a Second Amended Complaint in *Joh* that included pending claims on behalf of Plaintiffs
7 Joh, Hamilton, Smith, and the putative class to facilitate streamlined class-wide settlement
8 proceedings.

9 E. On August 16, 2019, the Court granted preliminary approval to a previous version
10 of this Settlement. Shortly thereafter, notice went out to the Settlement Class Members.
11 Plaintiffs moved for final approval of the Settlement, but the Court denied final approval by
12 Order of April 15, 2020. In that Order, the Court noted that the proposed Settlement Class was
13 appropriate and that the settlement otherwise satisfied Federal Rule of Civil Procedure 23, with
14 the exception of certain issues raised by the Court relating to the allocation of settlement
15 proceeds among the Settlement Class Members. This revised agreement is informed by the
16 Court's observations regarding the previous proposed settlement allocation among the
17 Settlement Class Members.

18 F. This Agreement represents a compromise of highly disputed claims.

19 G. This Action has been actively litigated since *Joh* was filed on September 12,
20 2018.

21 H. The Parties to this Agreement have conducted a thorough and independent
22 examination and investigation of the facts and law relating to the claims set forth in the
23 operative complaints in *Joh* and *Hamilton*. This litigation, along with Class Counsel's
24 additional factual investigation regarding Defendant's policies and practices, informed counsel
25 regarding the strengths and weaknesses of their respective positions and provided them a full
26 opportunity to assess the litigation risks presented in the Action.

1 I. Based on the litigation and negotiation described above, Class Counsel have
2 concluded, taking into account the sharply contested issues involved, the risks, uncertainty, and
3 cost of further prosecution of the Action, and the substantial benefits to the Class to be received
4 pursuant to this Agreement, that a settlement with Defendant on the terms set forth herein is
5 fair, reasonable, adequate, and in the best interests of the Settlement Class.

6 J. The Parties understand, acknowledge, and agree that the execution of this
7 Agreement constitutes the settlement and compromise of highly disputed and contested claims.
8 This Agreement is not an admission of wrongdoing or liability on the part of any party to this
9 Agreement. It is the Parties' desire and intention to effectuate a complete and final settlement
10 and resolution of all existing disputes and claims as set forth herein.

11 K. The Settlement contemplated by this Agreement is subject to preliminary
12 approval and entry of a Final Approval Order/Judgment by the Court, as set forth herein. The
13 Parties agree that settlement proceedings shall proceed in the court of the first-filed case, *Joh*.

14 II. DEFINITIONS

15 A. "Action" means the consolidated Second Amended Complaint filed on or about
16 May 19, 2019, which encompasses both the *Joh v. American Income Life Insurance Company*,
17 No. 3:18-cv-06364 and *Hamilton v. American Income Life Insurance Company*, No. 4:18-cv-
18 07535 matters and the claims and allegations asserted therein.

19 B. "All Trainees and Agents Fund" means a portion of the Net Settlement Fund in
20 the amount set forth in Section III.F, and which shall be divided among all Settlement Class
21 Members, based on their workweeks and in accordance with the process described in Section
22 III.F.

23 C. "CAFA Notice" refers to the notice requirements imposed by 28 U.S.C.
24 § 1715(b).

25 D. "Class Member(s)" refers to all individuals who trained to become and/or worked
26 as sales agents in California for Defendant during the last four years prior to the filing of the
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1 original Complaint in *Joh* and whose training and/or work began before August 16, 2019 (the
2 date of preliminary approval of the earlier version of this Settlement).

3 E. “Cash Award” means a cash payment to a Class Member pursuant to Section
4 III.F, below.

5 F. “Class Counsel” means Gould & Associates LLP and Gibbs Law Group LLP.

6 G. “Class Period” means September 12, 2014 through August 16, 2019, the date of
7 the original Preliminary Approval Order in this matter.

8 H. “Court” refers to the U.S. District Court for the Northern District of California.

9 I. “Cy Pres Distribution” means monies that may be distributed on a cy pres basis in
10 connection with the Settlement, pursuant to Section III.G below.

11 J. “Defense Counsel” means King & Spalding LLP and Sacro & Walker LLP.

12 K. “Effective Date” means the later of the following dates (if applicable): (i) if no
13 Objection has been submitted, then the date the Court enters the Order/Judgment finally
14 approving the settlement; or (ii) if an Objection has been submitted, then the date on which
15 there is a Judgment subject to no further appeal because either the applicable appeals period has
16 expired and no appeal was filed, or because any appeal (and all potential future appeals) has
17 either not been pursued or has been resolved.

18 L. “Escrow Account” means an interest-bearing account held at a bank or banks
19 consistent with proper security for purposes of the Settlement, which shall be subject to
20 supervision by the Court.

21 M. “Final Approval Hearing” means the hearing at or after which the Court will
22 make a final decision whether to approve the Settlement set forth in this Agreement as fair,
23 reasonable, and adequate.

24 N. “Final Approval Order/Judgment” means the order/judgment issued by the Court
25 in connection with the Final Approval Hearing.

26 O. “Net Settlement Fund” means the amount to be distributed to Class Members
27 pursuant to the claims process described below. The Net Settlement Fund shall be calculated by
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1 deducting the following from the \$5,750,00 Settlement Fund: up to \$32,000 of Class Counsel’s
2 litigation costs, attorneys’ fees (not to exceed \$1,437,500, or 25% of the Fund), the incentive
3 awards to Plaintiffs David Joh, David Hamilton, and Bridget Smith (not to exceed \$7,500 each,
4 or a total of \$22,500), up to \$55,000 of the fees and expenses of the Settlement Administrator,
5 and the portion of the PAGA payment to be distributed to the California Labor and Workforce
6 Development Agency (LWDA), or \$75,469. To ensure that the amount of the Net Settlement
7 Fund remains the same as in the previous version of the Settlement, Class Counsel will bear the
8 expense of its litigation costs in excess of \$32,000, and AIL will pay the Settlement
9 Administrator any additional fees and expenses associated with class notice and administration
10 (estimated to be an additional \$25,000) in excess of \$55,000.

11 P. “Parties” means Plaintiffs and Defendant.

12 Q. “Plaintiffs” means, collectively, Plaintiffs David Joh, David Hamilton, and
13 Bridget Smith.

14 R. “Preliminary Approval Order” means the proposed order by the Court in
15 connection with preliminary approval.

16 S. “Released Claims” means the releases identified in Section III.R below, which
17 encompass all claims that reasonably arise out of the facts alleged in the Action.

18 T. “Released Parties” means Defendant AIL, its past or present parent companies,
19 subsidiaries, divisions, related or affiliated companies, and each of their shareholders, officers,
20 partners, joint ventures, consultants, advisors, directors, employees, agents, operators, attorneys,
21 and insurers, and the heirs, successors, and assigns of any such person or entity, and any
22 individual or entity which could be jointly liable with Defendant (including any State General
23 Agents with whom individuals trained to become and/or worked as sales agents in California).

24 U. “Settlement Administrator” means KCC, LLC, whom the Parties have agreed to
25 appoint, subject to approval by the Court, to perform the customary duties of the Settlement
26 Administrator. All disputes related to the Settlement Administrator’s performance or its duties
27 shall be referred to the Court, if necessary, which will have continuing jurisdiction over the
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1 terms and conditions of this Agreement until all payments and obligations contemplated by this
2 Agreement have been fully carried out.

3 V. “Settlement Class Member(s)” means any and all person(s) meeting the definition
4 of a Class Member(s) in Section II.D, above, but excluding those who timely and properly opt
5 out after Class Notice.

6 W. “Settlement Class Notice” means the notice that will be provided to the
7 Settlement Class, substantially in the form attached hereto as Exhibit A.

8 X. “Settlement Costs” means: (1) any award of attorneys’ fees and costs to Class
9 Counsel approved by the Court; (2) any incentive awards to Plaintiffs approved by the Court;
10 (3) all costs of providing notice to Class Members; (4) all costs of administering the Settlement;
11 and (5) the fees, expenses, and all other costs of the Settlement Administrator.

12 Y. “Settlement Fund” means the sum of \$5,750,000 to be paid by Defendant in
13 connection with the Settlement.

14 Z. “Terminated Trainees and Agents Fund” means a portion of the Net Settlement
15 Fund in the amount set forth in Section III.F, and which shall be divided on a per-member basis
16 among all Settlement Class Members whose association with AIL ended at some point between
17 September 12, 2015 and August 16, 2019, in accordance with the process set forth in Section
18 III.F.

19 III. TERMS OF SETTLEMENT

20 A. **Conditions Precedent to Settlement Taking Effect.** The Parties enter into this
21 Agreement on a conditional basis. This Agreement is contingent upon, and will become final
22 and fully effective only upon the occurrence of, all of the following events: (1) the Court enters
23 an order granting preliminary approval of the Settlement; (2) Settlement Class Notice is mailed
24 to Class Members in accordance with the Court’s order of preliminary approval; (3) the Court
25 conducts and sets a fairness hearing; (4) the Court enters an order granting final approval of the
26 Settlement consistent with the terms described in this Agreement; and (5) the Effective Date
27 occurs. Notwithstanding the foregoing provisions in this paragraph, however, prior to the
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1 Agreement becoming final and fully effective, the Parties are bound by this Agreement to
2 perform certain tasks as part of the settlement process—including the provision of notice, for
3 example—as specified in this Agreement.

4 B. **Consequences of Settlement Not Becoming Effective.** This Agreement is
5 contingent upon each of the conditions precedent in Paragraph III.A occurring and is entered
6 into voluntarily by the Parties for settlement purposes only. To the extent this Agreement is
7 deemed void or the Effective Date does not occur or for whatever reason does not result in final
8 resolution of the Action, Defendant does not waive, and, instead, expressly reserves its rights to
9 challenge all claims and allegations in the Action upon all procedural, factual, and legal
10 grounds, as well as asserting any and all other potential defenses or privileges. If the Settlement
11 is not approved by the Court, nothing in this Agreement or any draft thereof, shall have any
12 effect, nor shall any such matter be admissible in evidence for any purpose in the Action or in
13 any other proceeding or forum. Should the Court deny the Parties’ request for entry of a Final
14 Approval Order or should a Final Approval Order be entered and then vacated on appeal, the
15 Escrow Agent shall return to Defendant, within ten (10) days of receipt of a written demand, all
16 funds remaining in the Escrow Account including all interest and earnings thereon.

17 C. **Settlement Fund.** On August 21, 2019, following the Court’s preliminary
18 approval of a prior version of this Settlement, Defendant paid by wire transfer to the Escrow
19 Account the sum of one million dollars (\$1,000,000) (“the Settlement Deposit Amount”). The
20 remaining \$4,750,000 shall be paid by wire transfer to the Escrow Account within seven (7)
21 business days after the Effective Date. The payments described in this section are made in
22 order to satisfy the claims of Plaintiffs and the Settlement Class, as well as for other purposes
23 identified in this paragraph. The monies so transferred, together with interest subsequently
24 earned thereon, shall constitute the entire Settlement Fund. The Settlement monies transferred
25 into the Settlement Fund by Defendant shall include: (a) all amounts paid to Class Members,
26 including Plaintiffs, which are to be distributed as Cash Awards pursuant to Section III.F below;
27 (b) all attorneys’ fees and costs awarded by the Court; (c) any incentive awards to Plaintiffs,
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1 (d) all costs in connection with the Settlement Fund; (e) the fees and expenses of the Settlement
2 Administrator up to \$55,000; and (f) payments to the California Labor and Workforce
3 Development Agency (LWDA) pursuant to PAGA. The Settlement Fund, however, does not
4 include AIL's portion of all applicable federal, state and local income taxes (if any), and all
5 federal, state and local employment taxes (if any) required by law to be withheld and/or paid
6 with respect to payments to Class Members allocated for purported wages, which shall be paid
7 by Defendant separately and in addition to the \$5,750,000 Settlement Fund. Defendant will
8 pay this additional amount pursuant to Section III.H.2 below.

9 D. **Escrow Account.** Subject to Court approval, the Escrow Account shall be an
10 interest-bearing account at a bank or banks chosen by Class Counsel. All interest earned on any
11 amounts in the Escrow Account shall become part of the Settlement Fund for all purposes.
12 Class Counsel shall have the ability and the authority to withdraw from the Escrow Account all
13 funds necessary for costs and expenses of administering the Settlement, including all funds
14 necessary for Court-ordered notice and administration. Defendant shall have no liability or
15 responsibility for Class Counsel's actions with regard to the Escrow Account.

16 E. **Administration by Trustee.** The Settlement Administrator shall serve as Trustee
17 of the Settlement Fund and shall act as a fiduciary with respect to the handling, management,
18 and distribution of the Settlement Fund. The Settlement Administrator shall act in a manner
19 necessary to qualify the Settlement Fund as a "qualified settlement fund" under Section 468B of
20 the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, *et seq.*, and
21 to maintain that qualification. Defendant, Plaintiffs, Class Counsel, and Defense Counsel shall
22 have no liability whatsoever for the Settlement Administrator's actions with regard to the
23 Settlement Fund.

24 F. **Settlement Distribution Procedures.** Cash Awards to Settlement Class
25 Members shall be distributed. The Cash Awards shall be paid from the Net Settlement Fund
26 according to the following parameters. The Net Settlement Fund shall be divided into two
27 separate sub-funds for distribution to Settlement Class Members: (1) the Terminated Trainees
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1 and Agents Fund, in the amount of \$1,605,500.96 and (2) the All Trainees and Agents Fund, in
2 the amount of \$2,522,030.04. The two sub-funds shall be distributed to Settlement Class
3 Members as follows:

4 First, the Terminated Trainees and Agents Fund shall be divided on a per member basis
5 among all Settlement Class Members whose association with AIL ended at some point
6 between September 12, 2015 and August 16, 2019. In other words, the Terminated Trainees
7 and Agents Fund shall be divided evenly among all Settlement Class Members (i) *except* those
8 who have no claim that their relationship with AIL allegedly “terminated” between September
9 12, 2015 and August 16, 2019, and (ii) *except* those whose association with AIL ended before
10 September 12, 2015 and thus have no claim for waiting time penalties during the limitations
11 period. Each per-member share will be determined by dividing the amount of the Terminated
12 Trainees and Agents Fund by the total number of Terminated Trainees and Agents. This share
13 of the Terminated Trainees and Agents Fund will be paid to each Terminated Trainee and
14 Agent as part of his or her settlement payment, in addition to any share of the All Trainees and
15 Agents Fund.

16 Second, the All Trainees and Agents Fund shall be divided among all Settlement Class
17 Members, based on their workweeks (as weighted and modified below). Those Settlement
18 Class Members who never entered into an agent contract with Defendant, but who underwent
19 at least one day of training with a State General Agent office, will receive a rebuttable share of
20 the All Trainees and Agents Fund calculated based on a one-workweek training presumption,
21 double weighted. All Settlement Class Members who entered into an agent contract with
22 Defendant and who underwent at least one day of training with a State General Agent office
23 during the Class Period will receive a rebuttable share of the All Trainees and Agents Fund
24 calculated based on a four-workweek training presumption, double weighted, plus the total
25 number of weeks actually contracted during the Class Period by each Settlement Class
26 Member for Defendant. All Settlement Class Members who trained prior to the Class Period
27 but who entered into an agent contract with Defendant will receive a share of the All Trainees
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1 and Agents Fund based on the total number of weeks actually contracted during the Class
2 Period.

3 Settlement Class Members may challenge the number of rebuttable, double-weighted,
4 presumptive training workweeks allocated to them by submitting (a) a claim form under
5 penalty of perjury to the Settlement Administrator, and (b) some supporting documentary
6 proof spanning the range of the alleged training period, such as gas receipts, cell phone bills, or
7 calendar entries. Class Members may submit this challenge within 60 days of the mailing of
8 the Settlement Class Notice. Plaintiffs' Counsel and Defense Counsel will evaluate whether
9 the presumptive workweeks should be increased and, in the event of a disagreement, the
10 Settlement Administrator will make the final decision, which shall not be appealable.

11 Once each Settlement Class Member's workweek number has been determined, each
12 Settlement Class Member's share of the All Trainees and Agents Fund shall be calculated as
13 follows: Each Settlement Class Member's share of the All Trainees and Agents Fund is a
14 fraction, with the individual Settlement Class Member's calculated total weighted workweeks
15 as the numerator and the aggregated number of calculated total weighted workweeks of all
16 Settlement Class Members as the denominator.

17 The Settlement Class Member's award from the All Trainees and Agents Fund will be
18 calculated by multiplying the Class Member's individual settlement share by the amount of the
19 All Trainees and Agents Fund.

20 The Settlement Class Member's total Cash Award will consist of the sum of: (1) the
21 Settlement Class Member's Terminated Trainee and Agent Award (if applicable) and (2) the
22 Settlement Class Member's All Trainees and Agents Fund Award (calculated as described
23 above).

24 1. **Defendant's Records.** The number of weeks that Class Members who
25 contracted with Defendant have worked will be determined by reference to Defendant's records,
26 which will be presumed to be correct unless evidence to the contrary is timely submitted to the
27 Settlement Administrator. The contracted workweeks will run from September 12, 2014 (the
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1 beginning of the Class Period) or the effective date of each Class Member's contract, whichever
2 is later, through the Class Member's final contract termination date (or, for Class Members who
3 remain contracted, the last date of the Class Period). As described above, the presumptive training
4 workweeks for those who trained and contracted within the Class Period will be four weeks. Each
5 Class Member will receive information with their notice about the number of contracted
6 workweeks and presumptive training workweeks calculated for them. In the event any Class
7 Member disputes the number of contracted workweeks or presumptive training workweeks
8 calculated for them, the Class Member may submit a written challenge and documentary evidence
9 to the Settlement Administrator showing that the amount listed is incorrect, as described above.

10 Should it come to light that there exist more Settlement Class Members and/or
11 workweeks, excluding workweeks added through the claims process described above, than the
12 number contemplated on the date this Settlement Agreement was signed, Defendant will
13 contribute a proportional amount to the Net Settlement Fund proportional to the combined
14 increase of workweeks over 5%. For example, if new class members or workweeks result in
15 10% more workweeks than were contemplated at the time this Settlement Agreement was
16 signed, Defendant will contribute an additional 5% of \$5.75 million to the Settlement Fund. If
17 any Class Member successfully challenges his or her rebuttable workweek calculation and
18 increases the workweeks credited to him or her, any such increase will not be taken into account
19 for purposes of determining whether a 5% increase in workweeks has occurred.

20 2. **Distribution of Cash Awards.** Checks shall be sent to Settlement Class
21 Members as Cash Awards within twenty (20) calendar days of the Effective Date. These checks
22 shall be valid for 90 days from the date on the check. Fourteen (14) calendar days before the
23 expiration of the 90-day period, the Claims Administrator will send a notice to Class Members
24 who have been sent settlement award checks but who have not cashed them reminding them of the
25 expiration of the 90-day period. Settlement award checks that have expired will not be reissued
26 except for good cause. Upon completion of its calculation of payments, the Settlement
27 Administrator shall provide Class Counsel and Defense Counsel a report listing the amount of all
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1 payments to be made to each Class Member.

2 G. **Cy Pres Distribution.** Checks issued to Class Members pursuant to this
3 Settlement shall remain negotiable for a period of 90 calendar days from when they are issued.
4 Class Members who fail to negotiate (*i.e.*, cash or deposit) their check(s) within the 90-
5 calendar-day time period nonetheless shall remain subject to the terms of this Settlement.
6 Settlement payments not negotiated within the 90-day period shall be distributed as follows:

7 1. If the total amount of Class Member cashed settlement checks does not
8 equal or exceed 98% of the Net Settlement Fund, then the amount of the un-negotiated
9 Settlement payments shall revert to the Net Settlement Fund and shall then be paid to those
10 Settlement Class Members who previously cashed their settlement checks on a pro rata basis
11 pursuant to the formula set forth in paragraph III.F, above.

12 2. If the total amount of Class Member settlement checks negotiated within
13 90 days of mailing of the second payment exceeds 98%, but is less than 100%, of the Net
14 Settlement Fund, the remainder sum will be put in a cy pres fund. If this occurs, subject to
15 Court approval, the Parties will distribute the remaining funds to Legal Aid at Work, a non-
16 profit organization. Plaintiffs' Counsel chose this organization because the work it performs is
17 related to the subject matter of the lawsuit and because it conducts workers' rights clinics
18 throughout the State of California. Defense Counsel does not object to proposing Legal Aid at
19 Work as the proposed cy pres recipient.

20 H. **Tax Treatment**

21 1. **Qualified Tax Status and Tax Responsibilities.** The Settlement Fund
22 shall be established as a "qualified settlement fund" within the meaning of Section 468B of the
23 Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, *et seq.*, and shall
24 be administered by the Settlement Administrator under the Court's supervision. The Parties shall
25 cooperate to ensure such treatment and shall not take a position in any filing or before any tax
26 authority inconsistent with such treatment.

27 2. **Payment of Federal, State and Local Taxes.** In addition to the
28 \$5,750,000 Settlement Fund, Defendant shall send to the Settlement Administrator an amount

1 sufficient to pay the employer's portion of any employment taxes attributable to the portion of
2 the settlement payment attributable to wages within 14 days after the Settlement Administrator
3 informs Defendant of the total amount needed to pay for all such employment taxes, assuming
4 final approval of this settlement. The Settlement Administrator, to the extent applicable, shall be
5 responsible for any required withholding, remitting, and reporting of Class Members' and
6 Defendant's and/or the Settlement Fund's shares of employment taxes including, without
7 limitation, FICA, FUTA, SUTA, Medicare, payroll, and any state or local unemployment taxes,
8 if any, with respect to payments to Class Members from the Settlement Fund.

9 3. The Parties intend the payments made to Settlement Class Members from
10 the Net Settlement Fund (which includes the remaining 25% (\$25,156) of PAGA penalties not
11 distributed to the LWDA, as discussed in Section III.K), to be allocated as follows: 25% of the
12 Settlement Class Members' payments are for wages; 50% for non-PAGA penalties; and 25% for
13 expense reimbursement.

14 4. The Settlement Administrator shall be responsible for timely reporting
15 and remitting all such taxes to the appropriate taxing authorities.

16 5. All (i) taxes (including any estimated taxes, interest, or penalties) arising
17 with respect to the income earned by the Settlement Fund, including any taxes, interest or
18 penalties that may be imposed with respect to income earned for any period during which the
19 Settlement Fund does not qualify as a "Qualified Settlement Fund" for federal and state income
20 tax purposes, and (ii) expenses and costs incurred in connection with the operation and
21 implementation of this agreement (including, without limitation, expenses of tax attorneys and/or
22 accountants and mailing and distribution costs and expenses relating to filing (or failing to file)
23 any returns described herein or otherwise required to be filed pursuant to applicable authorities),
24 shall be paid out of the Settlement Fund. Further, such taxes and expenses shall be treated as a
25 cost of the administration of the Settlement Fund. The Parties hereto agree to cooperate with the
26 Settlement Administrator, each other, and their tax attorneys and accountants to the extent
27 reasonably necessary to carry out the provisions set forth in this paragraph.
28

1 I. **Incentive Awards**. Defendant will not object to incentive awards to Plaintiffs
2 Joh, Hamilton, and Smith up to \$7,500 each, to be paid out of the Settlement Fund, subject to
3 Court approval. Such incentive awards shall be paid at the time the Settlement Fund is
4 distributed. Court approval of the incentive awards, or their amount, is not a condition of the
5 Settlement. Any difference between this maximum incentive award and the amount awarded
6 shall be distributed to Settlement Class Members.

7 J. **Attorneys' Fees and Costs**. All of Class Counsel's fees and costs, including
8 those in connection with securing Court approval of this Settlement Agreement, the Settlement
9 administration process and any monitoring of this Settlement Agreement, shall be paid from the
10 Settlement Fund, following approval of those attorneys' fees and costs by the Court. Plaintiffs
11 shall move the Court for an award of attorneys' fees to be paid from the Settlement Fund.
12 Defendant shall not object to such a motion so long as the amount requested is not more than
13 \$1,437,500 in fees, which is 25% of the value of the Settlement Fund, plus litigation costs in the
14 amount of \$32,000. Any difference between this maximum attorneys' fees award and the
15 amount awarded shall be distributed to Settlement Class Members. Class Counsel shall be
16 entitled to payment of the fees awarded by the Court out of the Fund within 5 calendar days of
17 the Court's entry of the Final Approval Order/Judgment and an order awarding fees,
18 notwithstanding any appeal. Class Counsel are jointly and severally liable to Defendant for
19 repayment of fees received should the Final Approval Order or the fee order be reversed or
20 reduced on appeal. Court approval of attorneys' fees and costs, or their amount, will not be a
21 condition of the Settlement. In addition, no interest will accrue on such amounts at any time.

22 K. **PAGA Penalties**. The Action alleges potential claims for penalties pursuant to
23 the Private Attorneys General Act ("PAGA"), California Labor Code §§ 2698 *et seq.* The
24 Parties agree that all such claims for PAGA penalties have been settled in this Joint Stipulation
25 in the amount of 1.75% of the Settlement Fund, or a total of \$100,625, subject to approval by
26 the Court. The PAGA penalties shall be allocated as follows: 75% (\$75,469) shall be
27

1 distributed to the LWDA, and the remaining 25% (\$25,156) shall be distributed to the
2 Settlement Class Members as part of the Net Settlement Fund.

3 L. **Preliminary Approval.** Plaintiffs will submit a proposed Preliminary Approval
4 Order, which shall specifically include provisions that: (1) preliminarily approve the Settlement
5 reflected herein as fair, adequate, and reasonable, and within the reasonable range of possible
6 final approval; (2) approve the form and content of Settlement Class Notice and find that the
7 notice program set forth herein constitutes the best notice practicable under the circumstances,
8 is due and sufficient notice to the Settlement Class and fully satisfies the requirements of due
9 process and Federal Rule of Civil Procedure 23; (3) direct that notice be provided to the
10 Settlement Class, in accordance with the Settlement, within 14 calendar days following entry of
11 the Preliminary Approval Order; (4) establish a procedure for Class Members to object to the
12 Settlement or exclude themselves from the Class; (5) pending final determination of whether
13 the Settlement should be approved, bar all Class Members who have not timely opted out of the
14 Class, directly, on an individual, class, or representative basis or in any other capacity from
15 commencing or prosecuting any of the Released Claims against any of the Released Parties in
16 any action, arbitration, or proceeding in any court, arbitration forum, or tribunal; (6) pending
17 final determination of whether the Settlement should be approved, stay all proceedings in the
18 Action except those related to the effectuation of the Settlement; and (7) schedule a Final
19 Approval Hearing.

20 M. **Settlement Class Notice**

21 1. **Information for Settlement Class Notice.** Defendant shall identify all
22 Class Members and will provide to the Settlement Administrator, within seven (7) calendar days
23 after Preliminary Approval of this Settlement Agreement, the name, last known mailing and
24 email address of each Class Member and the number of contracted workweeks for each Class
25 Member during the Class Period. The Settlement Administrator may request Class Members'
26 social security numbers for the purpose of locating and identifying Class Members and shall
27 keep those social security numbers confidential.

1 2. **Timing of Class Notice.** Within fourteen (14) calendar days following
2 entry of the Preliminary Approval Order, the Settlement Administrator shall provide Settlement
3 Class Notice in the form agreed upon by the Parties (or such other form as approved by the
4 Court) to all Class Members. The Parties intend to provide actual notice to each Class Member,
5 to the extent practicable.

6 3. **Mail Notice.** Settlement Class Notice will be sent, via direct mail, to the
7 most recent mailing address of persons in the Settlement Class as reflected in reasonably
8 available computerized records of Defendant. Upon its receipt of the list of names and
9 identifying information from Defendant, the Settlement Administrator shall access the National
10 Change of Address (NCOA) Database, and update the addresses maintained by Defendant. Skip
11 tracing to the extent practicable shall be performed by the Settlement Administrator for all
12 returned mail; all costs of skip tracing will be considered Settlement Costs and deducted from
13 the Settlement Fund.

14 4. **E-mail Notice.** The Settlement Administrator will also provide individual
15 notice to all persons in the Settlement Class via e-mail to the most recent email address, if any,
16 as reflected in reasonably available computerized records of Defendant.

17 5. **Internet Notice.** The Settlement Administrator will maintain a Settlement
18 Website dedicated to the Settlement, on which the Settlement Class Notice will be posted. The
19 Settlement Website shall provide for online submission of updated Class Member contact
20 information. The Settlement Website shall become active within 5 days after the Court's entry
21 of the original Preliminary Approval Order and shall be deactivated when the Settlement Fund is
22 completely distributed.

23 6. **CAFA Notice.** Defendant shall be responsible for timely compliance with
24 all CAFA notice requirements. The Class Action Fairness Act ("CAFA") requires that notice of
25 a class action settlement be given to the appropriate government officials identified in the statute.
26 28 U.S.C. § 1715(b).

1 N. **Opt-Out Right/Termination.**

2 1. **Deadline.** Settlement Class Members may exclude themselves from the
3 Settlement Class by sending a written request to exclude themselves (as described in subsection
4 (2), immediately below) to a designated address within 60 calendar days after the mailing of the
5 Settlement Class Notice. All Settlement Class Members will be bound by all determinations and
6 judgments in the Action.

7 2. **Exclusions.** Exclusion requests must: (a) be signed; (b) include the full
8 name of the person requesting exclusion and mailing address and email address; and (c) include
9 at least the following statement (or words to this effect): “I request to be excluded from this
10 class action settlement.” No request for exclusion will be valid unless all of the information
11 described above is included. Copies of any exclusion requests received shall be forwarded to
12 counsel for Defendant and Class Counsel within five (5) days after receipt by the Settlement
13 Administrator.

14 3. **Delivery to Court.** The Settlement Administrator will retain a copy of all
15 requests for exclusion. At or before the Final Approval Hearing, the Settlement Administrator
16 shall file with the Court a declaration that lists all of the opt-outs received.

17 O. **Objections to The Settlement.**

18 1. **Right to Object.** Any Settlement Class Member may object to the
19 Settlement in a written submission to the Court. If timely filed, an objecting Settlement Class
20 Member may appear at the Final Approval Hearing to argue that the proposed Settlement should
21 not be approved and/or to oppose the application of Class Counsel for an award of attorneys’
22 fees and the incentive awards to the Plaintiffs.

23 2. **Deadline.** The written objection deadline for all Settlement Class
24 Members shall be 60 calendar days after the mailing of Settlement Class Notice. The Settlement
25 Class Notice will advise Class Members of this written objection deadline. Class Members may
26 also seek information on the Settlement Website. Prior to the objection deadline, the Settlement
27 Website will also contain briefing and supporting materials submitted in support of approval of
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1 the Settlement and in support of Class Counsel's application for attorneys' fees and for incentive
2 awards.

3 P. **Final Approval.** Following the provision of Class Notice, Plaintiffs shall
4 promptly request that the Court enter the Final Approval Order/Judgment which shall
5 specifically include provisions that: (1) finally approve the Settlement as fair, reasonable, and
6 adequate and in the best interests of Settlement Class Members; (2) find that the Settlement
7 Class Notice as given was the best notice practicable under the circumstances, is due and
8 sufficient notice to Class Members and fully satisfies the requirements of due process and
9 Federal Rule of Civil Procedure 23; (3) approve the plan of distribution of the Settlement relief;
10 (4) confirm that Plaintiffs and the Settlement Class Members and Defendant have released all
11 Released Claims and are permanently barred and enjoined from asserting, commencing,
12 prosecuting, or continuing any of the Released Claims; and (5) dismiss the Action with
13 prejudice, subject to the Court's retaining jurisdiction over the enforcement of the terms of this
14 Agreement.

15 Q. **Settlement Administrator.** Subject to Court approval, the Settlement
16 distribution process will be administered by the Settlement Administrator. Defendant will
17 reasonably cooperate in the Settlement Class Notice and administration process by providing
18 the Settlement Administrator, on a confidential basis, with access to the names, social security
19 numbers (as needed), mailing addresses, and email addresses for Class Members (as reflected in
20 reasonably available computerized account records of Defendant) to the extent required to
21 administer the Settlement.

1 R. **Released Claims.** At the Effective Date, the following releases will be effective:

2 1. Plaintiffs and all Settlement Class Members (and their assigns, heirs,
3 successors and personal representatives) fully release and forever discharge the Released Parties
4 from any and all rights, duties, obligations, claims, counterclaims, defenses, actions, causes of
5 action, expenses, attorney's fees, costs or liabilities (including penalties of every kind or nature
6 whatsoever), whether known or unknown, suspected or unsuspected, asserted or unasserted,
7 foreseen or unforeseen, actual or contingent, liquidated or unliquidated, punitive or
8 compensatory as of the date of the Final Approval Order/Judgment: (a) that were brought by
9 Plaintiffs in the Action; or (b) that reasonably arise out of the facts alleged in the Action. The
10 Parties intend for the release to be sufficiently broad enough to cover all claims brought on
11 behalf of all individuals who trained to become and/or worked as sales agents in California for
12 Defendant during the last four years prior to the filing of the original complaint in *Joh*, including
13 the claims asserted in the operative complaints in *Joh* and *Hamilton* as well as in *Golz v.*
14 *American Income Life Insurance Co.*, 18-CV-09879 (C.D. Cal.) and *Putros v. American Income*
15 *Life Insurance Co.*, Case No. 30-2019-01044772-CU-OE-CXC (Orange Cty. Sup. Ct.).

16 2. Plaintiffs Joh, Hamilton, and Smith expressly waive and relinquish, to the
17 fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the
18 California Civil Code as to the Released Claims, or any other law of any state or territory that is
19 similar, comparable or equivalent to Section 1542. Section 1542 provides:

20
21 A general release does not extend to claims that the creditor or
22 releasing party does not know or suspect to exist in his or her favor
23 at the time of executing the release and that, if known by him or
24 her, would have materially affected his or her settlement with the
25 debtor or released party.

26 S. **Stay/Bar of Other Proceedings.** All proceedings in the Action will be stayed
27 following entry of the Preliminary Approval Order, except as may be necessary to implement
28 the Settlement or comply with the terms of the Settlement. Pending determination of whether

1 the Settlement should be granted final approval, the Parties in the Action agree not to pursue
2 any claims or defenses otherwise available to them.

3 T. **Confidentiality of Settlement.** Except as required by applicable law, the Parties
4 and their Counsel shall keep the terms and conditions of this Settlement confidential until the
5 motion for preliminary approval is filed with the Court.

6 U. **Notice to Counsel.** All notices, requests, demands, or other communications
7 required or permitted to be given pursuant to this Agreement shall be in writing and shall be
8 delivered personally or mailed, postage prepaid, by first-class United States mail, to the
9 undersigned person at their respective addresses as set forth below:

10
11 To Plaintiffs:

12 Steven M. Tindall
13 Amanda M. Karl
14 GIBBS LAW GROUP LLP
15 505 15th Street, Suite 1110
16 Oakland, CA 94612

17 Michael Gould
18 Aarin A. Zeif
19 GOULD & ASSOCIATES
20 17822 E. 17th Street, Suite 106
21 Tustin, CA 92780

22 To Defendant:

23 Albert Giang
24 Arwen R. Johnson
25 KING & SPALDING LLP
26 633 West Fifth Street, Suite 1600
27 Los Angeles, CA 90071

28 John Walker
Jennifer Sacro
SACRO & WALKER LLP
700 N. Brand Blvd., Suite 610
Glendale, CA 91203

1 V. **Certification for Settlement Purposes Only.**

2 The Parties understand, acknowledge, and agree that the following class is certified for
3 settlement purposes only: “All individuals who trained to become and/or worked as sales agents
4 in California for Defendant during the last four years prior to the filing of the original complaint
5 in *Joh* and whose training and/or work began before August 16, 2019.” The original complaint
6 in *Joh* was filed on September 12, 2018. The Parties understand, acknowledge, and agree that if
7 a final order/judgment is not entered pursuant to settlement of this Action, Defendant will
8 vigorously deny that this action is certifiable as a class action and will dispute that Plaintiffs have
9 met the requirements of certification under Federal Rule of Civil Procedure 23.

10 W. **General Matters.**

11 1. **Cooperation.** The Parties agree that they will cooperate to effectuate and
12 implement all terms and conditions of this Settlement Agreement, and exercise good faith efforts
13 to accomplish the terms and conditions of this Settlement Agreement. The Parties agree to accept
14 non-material and procedural changes to this Settlement Agreement if so required by the Court in
15 connection with Final Approval of the Settlement, but are not obligated to accept any changes in
16 the monetary amount of relief or the substantive programmatic relief provided for herein, or any
17 other substantive change. In the event that the Court raises any questions or concerns about this
18 Settlement Agreement, the Parties agree to exercise good faith efforts to together address those
19 questions or concerns, including as needed further arms-length mediation efforts before David
20 Rotman.

21 2. **No Admission of Liability.** Defendant expressly denies any liability in
22 this litigation.

23 3. **Parties Authorized to Enter Into Settlement Agreement.** The
24 individual(s) executing this Agreement on behalf of a party represent and warrant that he or she
25 is fully authorized to execute this Agreement on such party’s behalf and to carry out the
26 obligations provided for therein. Each person executing this Agreement on behalf of a party
27 covenants, warrants, and represents that he or she is and has been fully authorized to do so by
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1 such party. Each party represents and warrants that he, she, or it intends to be bound fully by the
2 terms of this Agreement.

3 4. **Time Periods.** The time periods and dates described in this Agreement
4 with respect to the giving of Settlement Class Notice and hearings will be subject to Court
5 approval and modification by the Court or by written stipulation of counsel.

6 5. **No Construction Against Drafter.** This Agreement is deemed to have
7 been drafted by all Parties, and any rule that a document shall be interpreted against the drafter
8 will not apply to this Agreement.

9 6. **Agreement Binding on Successors in Interest.** This Agreement is
10 binding on and shall inure to the benefit of the respective heirs, successors, and assigns of the
11 Parties.

12 7. **Signatures.** The Parties and their counsel may sign separate copies of this
13 Agreement, which together will constitute one agreement. In addition, signatures sent in pdf
14 format by email or by facsimile constitute sufficient execution of this Agreement.

15 8. **Execution in Counterparts.** This Agreement is effective upon its
16 execution by all Parties. The Parties may execute this Agreement in counterparts. Each
17 counterpart shall be deemed to be an original, and execution of counterparts shall have the same
18 force and effect as if all Parties had signed the same instrument.

19 9. **Entire Agreement.** This Agreement contains the entire agreement
20 between the Parties and supersedes all prior understandings, agreements, or writings regarding
21 the subject matter of this Agreement. This Agreement may be modified only by a written
22 instrument signed by all Parties or their successors in interest or their duly authorized
23 representatives.

24 10. **Governing Law.** This Agreement shall be subject to, governed by,
25 construed, enforced and administered in accordance with the laws of the State of California, both
26 in its procedural and substantive aspects, and without regard for the principle of conflict of laws.
27

1 X. **Miscellaneous Provisions.**

2 1. Each Exhibit to this Agreement is incorporated herein by this reference as
3 though fully set forth herein.

4 2. The waiver by one party of any breach of this Agreement by any other
5 party shall not be deemed a waiver, by that party or by any other party, of any other prior or
6 subsequent breach of this Agreement.

7 3. Each party to this Agreement warrants that he, she, or it is acting upon his,
8 her, or its independent judgment and upon the advice of his, her, or its own counsel and not in
9 reliance upon any warranty or representation, express or implied, of any nature or kind by any
10 other party.

11 4. This Agreement has been carefully read by each of the Parties, or their
12 responsible officers, and its contents are known and understood by each of the Parties. This
13 Agreement is signed freely by each party executing it.

14 5. No party to this Agreement has heretofore assigned, transferred or
15 granted, or purported to assign, transfer or grant, any of the claims, demands, or cause or causes
16 of action disposed of by this Agreement.

17 6. In the event that one or more of the provisions contained in this
18 Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal,
19 or unenforceable in any respect, such invalid, illegal, or unenforceable provision shall be
20 ineffective but shall not in any way invalidate or otherwise affect any other provision.

21 7. All discovery, motions, and other proceedings, other than those necessary
22 to obtain the Court's preliminary and final approval of the Settlement, shall be stayed pending
23 final approval.

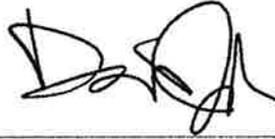
24 8. The Court shall retain jurisdiction with respect to implementation and
25 enforcement of the terms of this Agreement, and all Parties submit to the jurisdiction of the
26 Court for purposes of implementing and enforcing the Settlement embodied in this Agreement.

27 IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed, dated
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as of July 20, 2020.

PLAINTIFF DAVID JOH



David Joh

PLAINTIFF DAVID HAMILTON

David Hamilton

PLAINTIFF BRIDGET SMITH

Bridget Smith

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as of July __, 2020.

PLAINTIFF DAVID JOH

David Joh

PLAINTIFF DAVID HAMILTON



David Hamilton

PLAINTIFF BRIDGET SMITH

Bridget Smith

1 as of July 17, 2020.
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3

4 PLAINTIFF DAVID JOH
5

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David Joh
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10 PLAINTIFF DAVID HAMILTON
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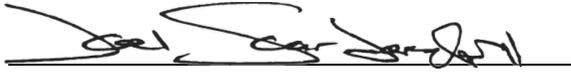
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David Hamilton
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16 PLAINTIFF BRIDGET SMITH
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1 DEFENDANT AMERICAN INCOME LIFE
2 INSURANCE COMPANY

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4 By:

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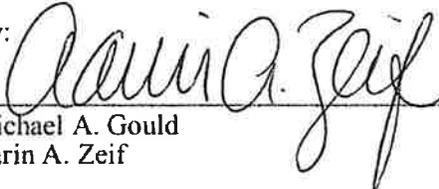
5 Joel Scarborough

6 Senior Vice President & General Counsel
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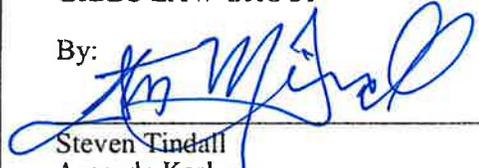
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APPROVED AS TO FORM AND CONTENT:

GOULD & ASSOCIATES

By: 
Michael A. Gould
Aarin A. Zeif

GIBBS LAW GROUP

By: 
Steven Tindall
Amanda Karl

Attorneys for Plaintiffs David Joh, David
Hamilton, and Bridget Smith

KING & SPALDING LLP

By: _____
Albert Giang
Arwen R. Johnson

SACRO & WALKER LLP

By: _____
John Walker

Attorneys for Defendant American Income Life
Insurance Company

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Attorneys for Plaintiffs David Joh, David
Hamilton, and Bridget Smith

KING & SPALDING LLP

By: *Albert Giang*

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EXHIBIT A

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.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

You May:	Summary:
Do Nothing	<p>If you do nothing and the Court approves the settlement, a Settlement Check will be mailed to the address on this Notice.</p> <p>If your address has changed, you should follow the directions in Section 9 to provide an updated address so that you can receive a Settlement Check.</p> <p>All Class Members who do not exclude themselves (or “opt out”) will receive a Settlement Check. There is no need to file anything in order to receive a Settlement Check.</p>
Exclude Yourself (“Opt Out”)	<p>If you opt out of the lawsuit, you will not be mailed a Settlement Check. But you will keep your right to sue on your own regarding any claims that are part of the Settlement. Go to Section 12 for directions on how to opt out.</p>

Object	Any person who does not opt out may object to the Settlement. If you think the Settlement is unfair, you may submit a letter stating why you do not like the Settlement. Go to Section 14 for directions on how to object.
Speak at the Final Approval Hearing	Class Members may be permitted to appear and speak to the Court. Go to Section 16 for directions on how to appear and to Section 14 for how to object.

The deadline for making this decision is: _____, 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. If the Settlement is ultimately approved by the Court, the Settlement Checks will then be mailed to Class Members.

Judge Thomas S. Hixon, 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 administrating this Settlement, subject to the Court's approval. The Settlement Administrator is a third party and not affiliated with AIL or Plaintiffs.
- **\$100,625** (or 1.75 percent of the Total Settlement Amount) will be allocated as penalties under the Labor Code Private Attorney 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 _____. 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 not accurate, you should fully fill out the Information Form, indicating all corrections, and send it by _____ to:

AIL Settlement
Settlement Administrator
c/o _____
XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXX

You may also call 1-800-XXX-XXXX 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 1-800-XXX-XXXX 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:

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, attorney’s 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 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 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 no later than _____ to:

AIL Settlement
Settlement Administrator
c/o _____
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

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 _____ to the following address:

AIL Settlement
Settlement Administrator
c/o _____
XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXX

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 _____ on _____, at the United States District Court for the Northern District of California located at 450 Golden Gate Ave, San Francisco, CA 94102, in Courtroom A (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 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 Gould & Associates and Steven Tindall and Amanda Karl of Gibbs Law Group represent you and other Class Members. These lawyers are called "Class Counsel." These lawyers are being paid out of the 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 \$32,000.00 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 in the Joint Stipulation of Class 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
Aarin Zeif
GOULD AND ASSOCIATES
17822 E. 17th Street, Suite 106
Tustin, Ca 92780
Telephone: (714) 669-2850
Email: Aarin@wageandhourlaw.com

Steven Tindall
Amanda Karl
Gibbs Law Group, LLP
505 14th Street, Suite 1110
Oakland, California 94612
Telephone: (510) 350-9245
Email address: 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.

EXHIBIT B

CLASS MEMBER INFORMATION FORM

Joh, et al. v. American Income Life Insurance Company, Case No. 3:18-CV-06364.

DIRECTIONS:

Note: You may have received a prior form relating to the same case. The Court did not approve the prior allocation of payments in the previous version of the Settlement in this case. You are receiving this new Information Form because the Court has recently granted preliminary approval to a revised version of the Settlement. **This Information Form relates to the revised version of the Settlement.**

Please review **all** of the information on the other side of this Form carefully to make sure it is accurate. As part of the revised version of the Settlement, you may be receiving up to two different amounts from two different funds: (1) the Terminated Trainees and Agents Fund, and (2) the All Trainees and Agents Fund. Those amounts are each calculated in their own way. Please review both sections on the other side of this Form for accuracy.

If the information on the other side of this Form 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 **not accurate**, you should fully fill out this Form and indicate all corrections. This Form is for a court proceeding, and any corrections or information you submit ***must be accurate and are subject to penalty of perjury***. Please send any corrections on this Form by [DATE] to:

**Joh v. American Income Life Insurance Company
Settlement Administrator**

c/o _____
XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXX

If you move before the Court's Final Fairness Hearing on _____, 2020, you must mail or call in your new address.

Questions? Call 1-800-xxx-xxxx or Class Counsel at _____

Go to the Reverse Side of this Form to Review Your Information

IMPORTANT! If you disagree with the information shown on the back of this page and wish to provide additional information, you must submit this information on this Form by _____. See the reverse side for the address to use. The Settlement Administrator may contact you to resolve your correction.

NAME, PHONE NUMBER, AND MAILING ADDRESS

Please review your information in the left-hand column, and make any necessary changes in the right-hand column:

Name/Address/Phone Number

Name (First, Middle, Last): XXXXXX

Street Address: XXXXX

City, State, Zip Code: XXXXXX

Phone Number: (xxx) xxx-xxxx

Name/Address Changes (if any):

(_____) _____
Best Telephone Number (please include area code)

(_____) _____
Alternate Telephone Number (please include area code)

IMPORTANT!

If you move, please call the Settlement Administrator with your new mailing address. You should keep a current address on file at all times. Call 1-800-000-0000 to update your address.

TOTAL ESTIMATED SHARE: Your total estimated share of the Settlement is \$_____, and is made up of the following amounts:

STATUS WITH AIL BETWEEN SEPTEMBER 12, 2015 AND AUGUST 16, 2019

[For Former Trainees/Agents whose association ended at some point between September 12, 2015 and August 16, 2019] AIL’s records reflect your association with AIL ended at some point between September 12, 2015 and August 16, 2019. You are therefore entitled to a per-person payment from the “Terminated Trainees and Agents Fund.” Your estimated share of the Terminated Trainees and Agents Fund is \$_____. This amount is just an estimate, and the amount you receive from the Terminated Trainees and Agents Fund may be more or less than this amount.

[For Former Trainees/Agents whose association ended before September 12, 2015] AIL’s records reflect that your association with AIL ended before September 12, 2015. You are therefore not entitled to a per-person payment from the Terminated Trainees and Agents Fund. If you believe this is **INCORRECT**, tell us why you think so, **and then sign and date below**.

[For Current Trainees/Agents whose association never terminated] AIL’s records reflect your association with AIL did not end between September 12, 2015 and August 16, 2019. You are therefore not entitled to a per-person payment from the Terminated Trainees and Agents Fund. If you believe this is **INCORRECT**, tell us why you think so, **and then sign and date below**.

EXPLAIN why you believe your association with AIL ended between September 12, 2015 and August 16, 2019:

WEEKS WORKED

AIL has records that indicate that you trained to become and/or worked as a sales agent in California for AIL during the Class Period. AIL’s records indicate that you [did/did not] enter into an agent contract with AIL, and you are presumed to have trained for up to [one week / four weeks] to become a sales agent. In addition, as an agent who contracted with AIL, you were contracted to work with AIL as an agent for a total of ___workweeks. Based on this training and workweek information, your estimated share of the “All Trainees and Agents Fund” is \$_____. This amount is just an estimate, and the amount you receive from the All Trainees and Agents Fund may be more or less than this amount.

If you disagree with the number of weeks that you trained to become an agent or that you were contracted to work with AIL as an agent reflected above, you can challenge that number. To do this, tell us, below, why you think the number is **INCORRECT, and then sign and date below**. Add additional pages, if necessary. If you have documents that support your position that reflect that you trained and/or worked for more weeks than the weeks reflected above, you can attach a copy of those documents to this Information Form. (You should keep your original documents.) You should also make a copy of this Information Form for your records.

EXPLAIN why you believe the number of weeks that you trained to become an agent or that you were contracted to work with AIL as an agent is incorrect:

Date: _____

[Class Member name]

Reminder: Any corrections or information you submit
must be accurate and is subject to penalty of perjury.