

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING
DATE FOR COURT APPROVAL**

David Lachman, et al., v. Berlitz Languages, Inc., et al.
(Los Angeles County Superior Court Case No. 19STCV01533)

You are not being sued. This is not an ad. This notice affects your rights. Please read it carefully.

YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT. PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice of Class Action Settlement because Berlitz Languages, Inc. and Berlitz Corporation's (collectively "Berlitz" or "Defendants") records show you are what is called a "Class Member," and therefore entitled to a payment from this class action settlement ("Settlement"). Class Members are all individuals who are or previously were employed by Defendants in the State of California as non-exempt hourly or piece-rate employees and who worked at least one shift or were terminated between January 22, 2015 through August 20, 2020 ("Class Period").

On August 20, 2020, Honorable Carolyn B. Kuhl of the Superior Court of California for the County of Los Angeles granted preliminary approval of this class action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, you choose to "opt out") by following the procedures described below, you will be considered a Participating Class Member, and if the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund. The Final Fairness and Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 10:30 a.m. on April 1, 2021 in Courtroom 12 of the Superior Court of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012. You are not required to attend the Hearing, but you are not barred from doing so.

IF YOU STILL WORK FOR DEFENDANTS, PARTICIPATION IN THIS SETTLEMENT WILL NOT AFFECT, NOR DISRUPT YOUR WORK IN ANY MANNER.

YOU WILL NOT BE RETALIATED AGAINST BY DEFENDANTS FOR YOUR PARTICIPATION. California law strictly prohibits retaliation. Further, Defendants are prohibited by law from taking any adverse action against or otherwise targeting, retaliating, or discriminating against any Class Member because of the Class Member's participation or decision not to participate in this Settlement.

You can view the proposed Final Approval Order, Final Judgment, and payment schedule at www.cptgroupcaseinfo.com/berlitzlanguages.

Questions? Contact the Settlement Claims Administrator toll free at 1-888-992-0792

What Is This Case About?

David Lachman is a former employee of Berlitz. Arthur Steiner is a current employee of Berlitz. They are the “Plaintiffs” in this case and are suing on behalf of themselves and all Class Members. Plaintiffs sued Berlitz claiming that they and Class Members were not paid all earned wages, including overtime wages, meal and rest break premiums; were not provided meal and rest breaks; all wages were not paid upon separation of employment; pay stubs did not contain all required information required by law; unfair competition, and associated penalties under the California Labor Code and California Private Attorneys General Act of 2004 (“PAGA”).

Berlitz strongly denies it engaged in any alleged unlawful conduct. Berlitz asserts that it did compensate its employees properly. Berlitz further asserts it has and had during the Class Period lawful wage and hour policies, practices, and procedures. The Court has made no ruling on the merits of Plaintiffs’ claims.

Plaintiffs entered into settlement discussions with Berlitz in an attempt to resolve the disputed claims in this case. On August 14, 2019, the parties negotiated a settlement on behalf of themselves and the Class Members with the assistance of a mediator. The parties’ agreement has been documented in a Joint Stipulation of Settlement and Release of Class Action (“Joint Stipulation”). The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing.

Attorneys for Plaintiffs and the Class Members (“Class Counsel”) are:

Julian Burns King
Elliot J. Siegel
KING & SIEGEL LLP
724 S. Spring Street, Suite 201
Los Angeles, California 90014

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MELMED LAW GROUP, PC
1801 Century Park East, Suite 850
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Class Counsel have investigated and researched the facts and circumstances underlying the issues raised in this case and the applicable law. While Class Counsel believe Plaintiffs’ claims in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Because of this, Class Counsel believes the proposed Settlement is fair, adequate, reasonable, and in the best interests of the Class Members.

Berlitz has strongly denied, and continues to deny, Plaintiffs’ factual and legal allegations. By agreeing to settle, Berlitz is not admitting liability on any of the factual or legal allegations or claims in this case or that this case can or should proceed as a class action.

Summary of the Settlement Terms

Plaintiffs and Berlitz have agreed to settle this case on behalf of themselves and the Class Members in exchange for the Maximum Settlement Amount of \$1,250,000.

The Maximum Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members, (2) subject to Court approval, up to a \$10,000 service payment to Plaintiff David Lachman and up to a \$5,000 service payment to Arthur Steiner for their time and effort in pursuing this case and in exchange for a general release of claims against Berlitz; (3) Settlement Administration Costs estimated to be no more than \$15,000.00; (4) a \$22,500 payment to the California Labor and Workforce Development Agency for settlement of the PAGA claims; and (5) subject to Court approval of an application for fees and costs, an award of up to \$416,250 in attorneys' fees and up to \$25,000 in litigation costs and expenses to Class Counsel. After deducting the service payment to Plaintiffs, the Claims Administration Costs, the payment to the California Labor and Workforce Development Agency, and attorneys' fees and costs/expenses, a total of approximately \$756,250 will be available to Class Members who do not opt out of the Settlement ("Net Settlement Amount").

Plan of Distribution to Class Members

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member actually worked during the Class Period ("Workweeks"). Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Claims Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendants' possession, custody or control. Defendants' Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Claims Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator in consultation with Class Counsel and counsel for Defendants. The Claims Administrator's decision on all Workweek disputes will be final and non-appealable.
- b. The Claims Administrator will calculate the total number of Workweeks for each individual Class Member ("Individual Workweeks"). The Claims Administrator will calculate the total number of Workweeks for all Class Members during the Class Period ("Class Workweeks").
- c. To determine each Class Member's "Individual Settlement Payment" the Claims Administrator will use the following formula: Individual Settlement Payment = (Net Settlement Amount ÷ Participating Class Workweeks) x Individual Workweeks for each individual Participating Class Member.
- d. If a Class Member was employed by Defendants during the Class Period but did not actually work any shifts during the Class Period, that Class Member will receive a flat payment of \$500.00.

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According to Berlitz’s records, you worked «Workweeks» Workweeks during the Class Period. Accordingly, your estimated payment is approximately «estAmount».

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and wish to dispute it, please contact the Claims Administrator at:

Lachman v. Berlitz Languages, Inc. Claims Administrator
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606

no later than 45 days after the date this Notice of Class Action Settlement was mailed to you. If you dispute the information stated above, the information Berlitz provided to the Claims Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation (“Disputes”), must be postmarked no later than February 1, 2021.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE CLAIMS ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments Class Members receive under the Settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 20% of each Individual Settlement Payment will be allocated to alleged unpaid wages, 40% will be allocated as alleged unpaid interest, and the remaining 40% will be allocated as alleged unpaid civil penalties and reimbursement. Again, please consult a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Individual Settlement Payment from the Claims Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. As of the Effective Date, and upon payment by

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Defendant of the Gross Settlement Amount and the employer-side payroll taxes, Plaintiffs and all Participating Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged with respect to all of the Released Parties and any and all Released Claims, which are:

All claims under state law, California law, the Federal Labor Standards Act (FLSA), or local law, whether statutory, common law or administrative law arising out of or related to all claims and allegations made or which could have been made based on the factual allegations of the First Amended Complaint in the Action from January 22, 2015 through Preliminary Approval, including allegations of alleged: failure to pay wages, including but not limited to all hours worked, training time, and unpaid "off-the-clock time," minimum wage and/or overtime, if any; rest period violations; meal period violations; split shift premiums; wage statement violations; waiting time penalties; civil penalties; penalties under the Private Attorneys General Act ("PAGA"); violations of Business and Professions Code section 17200; including, but not limited to, claims for injunctive relief; punitive damages; liquidated damages, penalties of any nature; interest; fees; and costs. ("Released Claims").

Released Parties means:

(i) Defendants; (ii) each of Defendants' respective past, present and future parents, subsidiaries, divisions, concepts, related or affiliate companies including, without limitation, any corporation, limited liability company, partnership, trust, foundation, and non-profit entity which controls, is controlled by, or is under common control with Defendants; (iii) the past, present and future shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, payroll service providers, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written "Request for Exclusion from The Class Action Settlement" letter or card to the Claims Administrator postmarked no later than February 1, 2021. Your written request must expressly and clearly state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE DAVID LACHMAN ET AL. V. BERLITZ LANGUAGES, INC. ET AL. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT."

Questions? Contact the Settlement Claims Administrator toll free at 1-888-992-0792

The written request for exclusion must include your name, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Lachman v. Berlitz Languages, Inc. Claims Administrator
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606

The written request to be excluded from the Settlement must be postmarked to the Claims Administrator not later than February 1, 2021. If you submit a request for exclusion which is not postmarked by February 1, 2021, your request for exclusion will be rejected, and you will be included in the Settlement Class. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will not receive any payment from the Settlement, (2) will not be deemed to have released any claims due to this Settlement, and (3) will be barred from filing an objection to the Settlement.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you should mail a written objection to the Claims Administrator. Your objection should provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by Defendants in California, and your objections to the Settlement including each specific reason in support of each objection and any legal support for each objection together with any evidence in support of your objection. Your objection should be mailed to the Claims Administrator on or before February 1, 2021.

You may also appear at the Final Fairness and Approval Hearing set for 10:30 a.m. on April 1, 2021 in Courtroom 12 of the Superior Court of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012, and discuss your objections with the Court and the Parties at your own expense. You may appear remotely by audio or video (further information can be found at the Court’s website at <https://www.lacourt.org/lacc/>). You may also retain an attorney to represent you at the Hearing at your own expense. All objections or other correspondence must state the name and number of the case, which is *David Lachman v. Berlitz Languages, Inc. e al.*, Los Angeles County Superior Court Case No. 19STCV01533.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Questions? Contact the Settlement Claims Administrator toll free at 1-888-992-0792

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Claims Administrator or Class Counsel.

You can view the final approval order and final judgment and payment schedule at www.cptgroupcaseinfo.com/berlitzlanguages.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
BERLITZ, OR BERLITZ'S ATTORNEYS WITH QUESTIONS.**