

**Court-Ordered Notice
Not An Advertisement**

You could receive money and your rights could be affected by this Class Action Settlement.

If the name and address listed on the mailing envelope, or any information attributable to you in this Notice, is incorrect, please provide the correct information to the Settlement Administrator at 1-888-510-2109 or vivintsettlement@cptgroup.com.

**NOTICE OF CLASS ACTION SETTLEMENT AND
FINAL APPROVAL HEARING**

Logan Shane Crabtree, et al. v. Vivint, Inc., et al.

Superior Court of California, for the County of Orange, Department CX103

Case No. 30-2020-01141910-CU-OE-CXC

Date of Notice: September 7, 2023

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT DESCRIBES YOUR RIGHTS AND HOW TO RECEIVE MONEY OR EXCLUDE YOURSELF FROM THE SETTLEMENT.

The Honorable Lon Hurwitz, Judge of the California Superior Court, authorized this Notice. This is not a solicitation from a lawyer. You are not being sued. However, your legal rights are affected by the information contained in this Notice.

If you are currently or were formerly employed by VIVINT, INC., VIVINT SMART HOME, INC., SMART HOME PROS, INC. or ARM SECURITY, INC., (the “Defendants”) in solar or alarm sales in the State of California on a door-to-door basis and made at least one sale in California (the “Class”) between June 3, 2016 and June 1, 2022 (the “Class Period”), this class action settlement (“Settlement”) affects your rights and you could receive money from the Settlement (an “Individual Settlement Payment”).

- A Settlement has been reached in the above referenced class action lawsuit (“Lawsuit”) against the Defendants that affects your rights. In summary, the Lawsuit alleges that members of the Class suffered unlawful wage and hour practices and were deprived of certain employment rights under the California Labor Code.
- As part of the Settlement, the Court has also preliminarily approved a settlement under California’s Labor Code Private Attorneys General Act of 2004 (“PAGA”) that provides certain members of the Class with a share of penalties under PAGA (“PAGA Penalties”). (See Section 18 below for more information).
- The Court has given preliminary approval to the Settlement. However, the Settlement will not be final unless and until the Court gives final approval to the Settlement.

**SUMMARY OF YOUR LEGAL RIGHTS
AND OPTIONS IN THIS SETTLEMENT**

DO NOTHING	Stay in the Lawsuit. Await the Outcome. Give Up Certain Rights. If you do nothing and the Settlement is finally approved, you will automatically receive your Individual Settlement Payment(s), share of PAGA Penalties (if eligible) and release certain claims against Defendants. (See Section 22 below for more information).
ASK TO BE EXCLUDED – i.e., OPT-OUT	Get Out of this Lawsuit. Get No Benefits from the Settlement. Keep Your Rights. However, if you are a PAGA Represented Employee and the Settlement is finally approved you will still receive your share of PAGA Penalties and release your claims under PAGA. (See Sections 18 & 23 below for more information).
OBJECT TO THE SETTLEMENT	If you wish to object to the Settlement, you can submit a written Objection no later than <u>60 days from the date of this Notice</u> . (See Section 24 below for more information).

Further questions? Read on or visit the Settlement Administration Website at
www.cptgroupcaseinfo.com/vivintsettlement

SUMMARY INFORMATION

1. Why did I receive this Notice?

A Settlement has been reached in the Lawsuit that affects your legal rights. Defendants' records show that you are a member of the Class and may be eligible to participate in this Settlement.

2. What is this Lawsuit about?

This Lawsuit alleges Defendants' employment practices violated California law through: (i) "independent contractor" misclassification; (ii) "direct seller" misclassification; (iii) failure to pay training time and/or non-sales work activity (including meetings); (iv) failure to pay overtime; (v) failure to provide meal and rest breaks; (vi) failure to reimburse business expenses; (vii) failure to pay all commissions due; (viii) failure to pay wage and unlawful wage forfeitures; (ix) failure to provide accurate or complete itemized wage statements; (x) failure to timely pay final wages; (xi) unlawfulness of retention and/or relocation advances; (xii) unlawful contractual provisions, including mutual attorneys' fee clauses and post-termination employee non-solicitation clauses; (xiii) failure to provide a written contract outlining the current method of calculating and/or paying commissions and/or a signed copy thereof; (xiv) failure to properly maintain accurate employment records; (xv) failure to maintain a copy of all documents signed by sales representatives and/or to provide a copy of such documents upon request; (xvi) misleading advertisements, solicitations (*see* Labor Code §§ 970 and 976), and/or communications designed to mislead prospective sales employees; (xvii) violation of Business and Professions Code § 17200; and (xviii) for penalties under PAGA. The specific allegations of the Lawsuit are contained in the Second Amended Complaint which can be found at www.cptgroupcaseinfo.com/vivintsettlement.

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

In a class action lawsuit, one or more people called "Lead Plaintiffs" assert claims on behalf of themselves and other similarly situated persons for claims in court that share common legal and factual questions. The Lead Plaintiffs in this case on behalf of the Class are Brayden Humpherys and Jeremy Hatcher. The Lead Plaintiff on claims under PAGA is Logan Shane Crabtree.

4. Has the Court decided who is right?

No. The Court has only given preliminary approval to the Settlement and decided that you should get a copy of this Notice. You can review the Settlement and determine whether you want to participate in it, object to it, or exclude yourself (i.e., "Opt-Out") from the Settlement. If the Settlement is not given final approval by the Court, the case will proceed to an eventual trial or series of individual arbitrations where the claims will have to be proven.

5. Am I a Class Member or a PAGA Represented Employee?

Yes. You have received this Notice because Defendants' records indicate that you are a member of the Class and/or a PAGA Represented Employee.

6. Why is this Lawsuit being settled?

After exchanging relevant information and documents, evaluating witnesses, and engaging in extensive settlement negotiations with the assistance of a neutral third-party mediator, the Parties have agreed to settle the claims in the Lawsuit. The Settlement represents a compromise of disputed claims and is not an admission that Defendants violated the law. The Lead Plaintiffs and Class Counsel believe the Settlement is in the best interest of the Class and the PAGA Represented Employees.

7. What does this Settlement provide?

Defendants have agreed to pay **\$6,500,000** to settle the claims in this Lawsuit, to release certain claims against Class Members and to provide the Settlement benefits summarized in this Notice.

8. Who represents the Class Members in the Lawsuit?

In class actions, Class Members are represented by Court-appointed lawyers (“Class Counsel”). In this case, you are represented by:

Jason E. Baker, Esq.
jbaker@keeganbaker.com
John J. Weber, Esq.
jweber@keeganbaker.com
KEEGAN & BAKER, LLP
5820 Oberlin Drive, Suite 205
San Diego, CA 92121
Telephone: (858) 558-9402/9407

Eric D. Norvell, Esq.
enorvell@norvellfirm.com
ERIC D. NORVELL, ATTORNEY, P.A.
445 Marine View Avenue, Suite 300
Del Mar, CA 92014
Telephone: (760) 452-0808

The Court has determined that Class Counsel are qualified to represent all Class Members. Nonetheless, you may hire your own lawyer at your own expense if you wish.

9. Who is the Settlement Administrator?

The Settlement Administrator is a neutral third party appointed by the Court to send this Notice, process and issue Individual Settlement Payments, PAGA Penalties and otherwise administer the Settlement. You may contact the Settlement Administrator at:

CRABTREE V. VIVINT, INC. CLASS ACTION SETTLEMENT
c/o CPT GROUP, Inc.
50 Corporate Park
Irvine, CA 92606
Phone: 1-(888) 510-2109
Dedicated Email Address for this Settlement: vivintsettlement@cptgroup.com

MONETARY AND NON-MONETARY TERMS OF THE SETTLEMENT

10. What have Defendants agreed to do?

Defendants have agreed to pay **\$6,500,000** to settle the claims in this Lawsuit (the “Gross Settlement Fund”). Additionally, for all Class Members whose employment ended before June 1, 2022 and who do not Opt-Out from the Settlement, Defendants have agreed to waive and release claims for outstanding wage advances and waive and release claims for violation of post-termination employee non-solicitation restrictions that occurred before July 27, 2023. ***EXCLUDED FROM THE RELEASE OF CLAIMS FOR UNPAID ADVANCES FROM DEFENDANTS ARE THOSE CLASS MEMBERS CURRENTLY ENGAGED IN LITIGATION OR ARBITRATION WITH ANY OF THE DEFENDANTS OVER THE REPAYMENT OF SUCH ADVANCES.***

11. How will the Gross Settlement Fund be allocated?

Subject to final approval of the Court, the Settlement allocates the Gross Settlement Fund as follows: (a) PAGA Penalties of no more than \$130,000; (b) Settlement Administration costs of \$32,500; (c) Enhancement Awards of no more than \$80,000; (d) Case Litigation Costs of no more than \$25,000; and (e) Class Counsel Fees of 33.33% of the combined amount of the Gross Settlement Fund and total advances released by Defendants against Class Members, leaving no less than \$3,440,696 to fund the “Net Settlement Amount” to the Class. Any lesser amounts awarded by the Court will be added to the Net Settlement Amount.

12. How are Class Members’ Individual Settlement Payment(s) determined?

Subject to final approval of the Court, the maximum amount that each Verified Settlement Class Member is entitled to receive from the Net Settlement Amount is determined by comparing the Verified Settlement Class Member’s total points earned during the Class Period in California by the total number of points earned by all Verified Settlement Class Members during the Class Period in California. Verified Settlement Class Members earn points during the Class Period as follows:

Points Category	Points Awarded
Work Weeks in a door-to-door sales position (including managers) in California during the Class Period; plus	1 point per
Completed California alarm installations during the Class Period recorded under each Class Member's unique badge ID (excluding team overrides); plus	2 points per
Completed California solar installations during the Class Period recorded under each Class Member's unique badge ID (excluding team overrides).	3 points per

Points are not awarded for production with third-party dealers, non-California activity or activity not recorded within Defendants' records or systems under a Class Member's unique badge ID.

13. How much is my Individual Settlement Payment?

The precise amounts of your Individual Settlement Payments are not known until the Settlement is given final approval by the Court. According to Defendants' records, you earned the following credits during the Class Period towards points under the Settlement:

Points Category	Per Defendants' Records
Work Weeks in door-to-door sales position (including managers) in California during the Class Period; plus	<<WorkWeeks>>
Completed California alarm installations during the Class Period under your unique badge ID (excluding team overrides); plus	<<Alarm Installations>>
Completed California solar installations during the Class Period under your unique badge ID (excluding team overrides).	<<Solar Installations>>

If you wish to dispute your credits or Defendants' records, you must notify the Settlement Administrator and provide any supporting evidence in writing no later than **30 days from the date of this Notice**.

14. When will I be paid?

If the Settlement is given final approval by the Court and all possibilities of appeal are completed, then the Lawsuit will end and the Gross Settlement Fund will be paid by Defendants to the Settlement Administrator in installments after Final Approval. The Settlement Administrator will distribute payments from the Gross Settlement Fund, including the Individual Settlement Payments and PAGA Penalties, pro-rata as installments of the Gross Settlement Fund are received.

15. How are currently employed Class Members effected by the Settlement?

Currently employed door-to-door sales representatives are included in the Settlement if they are part of the defined Class. California law prohibits Defendants from discharging you or in any other manner retaliating or discriminating against you because you participated in this Settlement.

16. Are any taxes taken out of the Individual Settlement Payments?

No. As direct sellers, Class Members are responsible for the appropriate classification, treatment and payment of any federal, state and/or local income or payroll taxes on the Individual Settlement Payments received. Fifty percent (50%) of your award will be classified as back wages and twenty-five percent (25%) will be classified as expense reimbursement and twenty-five percent (25%) will be classified as interest and penalties, with all amounts reported on an IRS Form 1099. PAGA Penalties will be allocated entirely as penalties and will be included on an IRS Form 1099 to each PAGA Represented Employee.

Each Class Member is advised to obtain tax advice from his or her own tax advisor as to any payments under this Settlement. This Notice is not legal or tax advice, and nothing in this Notice is intended nor should be used by any person for the purpose of avoiding any tax liability or penalties.

17. How will I be paid?

The Settlement Administrator has established numerous ways for you to be paid. Unless you elect to receive your Individual Settlement Payments and PAGA Penalties (if eligible) via ACH, direct deposit or digital payment, you will receive your payments by check. Checks will be good for one hundred twenty (120) days. Any checks not claimed or cashed one hundred thirty (130) days after issuance of your last installment payment shall be void and the funds distributed to the Controller of the State of California to be held pursuant to California's Unclaimed Property Law.

18. Why does the California LWDA receive a portion of the Settlement?

One of the claims in the Lawsuit is that Defendants violated PAGA. Under PAGA, employees are permitted to recover civil penalties for violations of California's Labor Code, seventy-five percent (75%) paid to the California Labor and Workforce Development Agency ("LWDA"), with the remaining twenty-five percent (25%) paid pro-rata to the "PAGA Represented Employees" defined as: All persons currently and formerly employed by Defendants in solar or alarm sales in the State of California on a door-to-door basis who made at least one sale in California between September 15, 2019 and July 27, 2023. The Parties have agreed that \$130,000 of the Gross Settlement Fund will be allocated to PAGA Penalties and settlement of claims arising under PAGA. You will receive a share of the PAGA Penalties if you are a PAGA Represented Employee, whether or not you are also a Class Member.

19. What is an "Enhancement Award"?

In class actions, the Court may provide Lead Plaintiffs and other contributing Class Members an "Enhancement Award" in recognition of the time, effort, and risks taken in pursuit of the Lawsuit on behalf of the Class. In this Lawsuit, Class Counsel will apply to the Court for up to \$80,000 in total Enhancement Awards to be paid from the Gross Settlement Fund shared among the Lead Plaintiffs and certain other Class Members who contributed extraordinary effort to the Settlement. The Court will ultimately determine the amount of the Enhancement Awards.

20. How will Class Counsel be paid?

Class Members are not personally liable for any attorneys' fees and costs. As is routine in class action cases, Class Counsel will request an award of attorneys' fees and incurred expenses. These fees and expenses have been incurred as Class Counsel pursued the Lawsuit on behalf of the Class without receiving any compensation for their services or reimbursement of their out-of-pocket expenses. Accordingly, Class Counsel will apply to the Court for (i) attorneys' fees in the amount of up to thirty-three and 33/100 percent (33.33%) of the combined amount of the Gross Settlement Fund and total advances released by Defendants against Class Members; and (ii) incurred litigation expenses, not exceeding \$25,000 to be paid from the Gross Settlement Fund.

RELEASE OF CLAIMS

21. What claims are being released as part of the Settlement?

- Upon final approval of the Settlement by the Court, Class Members who do not elect to Opt-Out from the Settlement will fully release claims, arising during the Class Period, which were alleged or could have been alleged in the Lawsuit based on the facts alleged in support of the class claims against Defendants and other Released Parties in the Second Amended Complaint. When claims are "released" it means that a person covered by the release cannot sue Defendants or the other Released Parties for these claims. The releases are binding upon Class Members who do not elect to Opt-Out from the Settlement.
- Additionally, Defendants have agreed to release claims against Class Members formerly employed as of June 1, 2022 who do not elect to Opt-Out from the Settlement for the repayment of claimed outstanding advances owed at termination of employment and for violating any employee post-termination non-solicitation clauses or restrictions for violations that occurred before July 27, 2023. ***EXCLUDED FROM THE RELEASE OF CLAIMS FOR UNPAID ADVANCES FROM DEFENDANTS ARE THOSE CLASS MEMBERS CURRENTLY ENGAGED IN LITIGATION OR ARBITRATION WITH ANY OF THE DEFENDANTS OVER THE REPAYMENT OF SUCH ADVANCES.*** Eligible Class Members who elect to Opt-Out from the Settlement also do not get the benefit of these releases from Defendants.

- Upon final approval of the Settlement, all claims under PAGA in the Second Amended Complaint will also be released by PAGA Represented Employees, including by Class Members who are also PAGA Represented Employees who Opt-Out of the Settlement.
- The full terms of the releases, including defined terms, are set forth in Article V of the Settlement Agreement.

YOUR RIGHTS AND OPTIONS

22. How do I participate in the Settlement?

You do not need to do anything to participate in the Settlement. Unless you elect to Opt-Out from the Settlement, you will automatically receive your Individual Settlement Payments and share of PAGA Penalties (if eligible) (see Sections 11-13 above) and release claims against the Released Parties (see Section 21 above) without any further action on your part. You are advised to notify the Settlement Administrator if your name, address or other contact information changes during administration of the Settlement.

23. How do I request to be excluded from the Settlement?

If you wish to be excluded from the monetary recovery and release provisions of the Settlement, you must mail a written, personally signed statement to the Settlement Administrator at the address or email set forth above (Section 9) that you elect to Opt-Out or you may use the Opt-Out Form attached hereto as Attachment 1. The election to Opt-Out must contain your name, mailing address, email address, telephone number and last 4 digits of your Social Security Number. **To be effective, your election to Opt-Out must be postmarked or emailed no later than 60 days from the date of this Notice.** If you Opt-Out of the Settlement and decide to pursue your own claims, you will have to hire and pay your own lawyer and have to individually prove your claims. If you do not timely Opt-Out from the Settlement, you will be bound by the terms of the Settlement, including, the releases provided for in the Settlement Agreement and any Final Judgment entered by the Court. PAGA Represented Employees cannot Opt-Out of the portion of the Settlement attributable to PAGA. Therefore, even if you elect to Opt-Out, you will still receive a share of the PAGA Penalties (if eligible) and be bound by the release of claims under PAGA if the Settlement is finally approved.

24. May I object to the Settlement?

If you wish to object to the Settlement in writing, you may do so by mailing to the Settlement Administrator at the address or email set forth above (Section 9) with the written factual and legal basis of the objection or you may use the Objection Form attached hereto as Attachment 2, with a copy mailed or emailed to Class Counsel (contact information in Section 8 above) and counsel for Defendants (Chet A. Kronenberg, Esq., Simpson Thacher & Bartlett LLP, 1999 Avenue of the Stars – 29th Floor, Los Angeles, California 90067, ckronenberg@stblaw.com). Your written objection must be postmarked or emailed no later than **60 days from the date of this Notice**. However, you cannot both object to the Settlement and Opt-Out of the Settlement. If the Court denies your objection, you will still be bound by the terms of the Settlement and you will not thereafter be able to elect to Opt-Out from the Settlement.

THE SETTLEMENT'S FINAL APPROVAL HEARING

25. When will the Court consider whether to grant final approval of the Settlement?

The Court will hold a Final Approval Hearing in Department CX103 of the California Superior Court for the County of Orange, located at 751 W Santa Ana Boulevard, Santa Ana, CA 92701, on **December 8, 2023 at 1:30 p.m.**, to decide whether to grant final approval of the Settlement. It is not necessary for you to appear at this hearing, unless you want to be heard on any objection to the Settlement.

You may participate in hearings remotely through CourtCall.com at 888-882-6878 at your own cost. Requests for fee waivers may be submitted to CivilSRL@occourts.org or the drop box outside the Central Justice Center courthouse. You may listen to remote court hearings, but not participate, at no cost by calling the public access number (657-231-1414) and entering the access code for Department CX103 (12129852#) and then the PIN for this Department (12129852#).

The hearing may be postponed without further notice to the Class.

FURTHER INFORMATION

26. How do I receive more information?

This Notice provides a summary of the basic terms of the Settlement. For the Settlement's complete terms and conditions, consult the Settlement Agreement, the Preliminary Approval Order and any future orders on Final Approval, which can be accessed, along with other key documents regarding the Settlement: (i) on the Settlement Administrator's website at www.cptgroupcaseinfo.com/vivintsettlement; (ii) by contacting the Settlement Administrator; (iii) by contacting Class Counsel; or (iv) via the Case Access portal for the California Superior Court for the County of Orange (<https://www.occourts.org>). In the event of any conflict between the terms of the Settlement Agreement and this Notice, the Settlement Agreement shall control.

Any Final Approval and Judgment issued by the Court will be posted on the Settlement Administrator's website. The Settlement Administrator's website will be accessible for no less than 180 days after the Court's decision on Final Approval of the Settlement.

PLEASE DO NOT TELEPHONE OR OTHERWISE WRITE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

Date of Notice: September 7, 2023