

ATTENTION: CURRENT AND FORMER EMPLOYEES OF THE WATCHLIGHT CORPORATION AND/OR ALARM RELAY, INC. YOU MAY RECEIVE MONEY FROM THIS CLASS ACTION SETTLEMENT

TO: ANY AND ALL PERSONS WHO WORKED AS NON-EXEMPT EMPLOYEES (INCLUDING “DISPATCHERS” AND “DATA ENTRY” EMPLOYEES) OF THE WATCHLIGHT CORPORATION AND/OR ALARM RELAY, INC. (HEREIN “DEFENDANTS”) WHO WORKED IN DEFENDANTS’ CENTRAL STATION IN CALIFORNIA AT ANY TIME BETWEEN JUNE 12, 2013 AND JULY 20, 2018 AND WHO HAVE **NOT** EXECUTED RELEASES WAIVING THE CLAIMS ALLEGED IN THE ABOVE REFERENCED LAWSUIT.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY LITIGATION NOW PENDING IN THE ABOVE-ENTITLED COURT.

WHY IS THIS NOTICE BEING SENT TO YOU?

1. This notice is to inform you that a proposed settlement (the “Settlement”) in the case entitled “*Carolyn McCormick and Terrie Beams v. The Watchlight Corporation and Alarm Relay, Inc.*,” Case No. 37-2017-00021109-CU-OE-CTL, pending in the Superior Court of California for the County of San Diego (“the Lawsuit”), has been reached by the parties, and has been granted preliminary approval by the court supervising the Lawsuit, the Superior Court of California for the County of San Diego (the “Court”). This is **not** a notice of a lawsuit against you. **You are not being sued.** Your participation in the Settlement will not affect your employment with Watchlight Corporation or Alarm Relay (“Defendants”) in any way whatsoever.

THE AMOUNT OF YOUR ESTIMATED PAYMENT IS LISTED ON THE ENCLOSED SETTLEMENT ALLOCATION FORM.

2. The Court has ordered that this Notice be sent to you, because you may be a Class Member. The purpose of this notice is to inform you of the proposed Settlement of the Lawsuit. The notice is also intended (1) to describe the Settlement, including how the Settlement is to be allocated and how the Settlement may affect you, and (2) to advise you of your rights and options with respect to the Settlement.

WHO IS ELIGIBLE TO RECEIVE MONEY FROM THIS SETTLEMENT?

3. This Settlement is for any and all non-exempt employees (including “Dispatchers” and “Data Entry” employees) of Defendants who worked in Defendants’ Central Station in California at any time between June 12, 2013 and July 20, 2018 and who have **not** executed releases waiving the claims alleged in the Lawsuit. (“Class Members”). In addition, the Settlement has a portion allocated to PAGA penalties from which PAGA Allegedly Aggrieved Employees may recover. PAGA Allegedly Aggrieved Employees” means any and all non-exempt employees (including “Dispatchers” and “Data Entry” employees) of Defendants who worked in Defendants’ Central Station in California at any time between June 12, 2016, and July 20, 2018.

WHY YOU SHOULD READ THIS NOTICE

4. You should read this Notice because you may be entitled to money under this Settlement, and this Settlement affects your rights.

WHAT IS A CLASS ACTION?

5. A class action is a lawsuit in which the claims and rights of many people are decided in a single court proceeding. One or more representative plaintiffs, also known as “class representatives,” assert claims on behalf of the entire class. This avoids the necessity for a large number of individual lawsuits and enables the court to resolve similar claims efficiently. In a class action, the court supervises the prosecution of class claims by class counsel to ensure fairness.

SUMMARY OF THE CLAIMS AND ALLEGATIONS

6. The plaintiffs/Class Representative are two former employees of Defendants who filed this action alleging that they are entitled to recover money damages and penalties from Defendants for various alleged violations of the California Labor Code. Specifically, Plaintiffs alleged the following claims against Defendants on behalf of themselves and other putative class members: (1) failure to provide meal periods under California law; (2) failure to authorize and permit rest breaks under California law; (3) failure to provide properly itemized wage statements under California law; (4) waiting time penalties under California Labor Code § 203 for failure to pay final wages in violation of California Labor Code §§ 201-202; (5) unlawful and unfair business acts and practices in violation of California Business & Professions Code §§ 17200 *et seq.*; and (6) claims for civil penalties under the Private Attorneys General Act of 2004, Labor Code §§ 2698 *et seq.* (“PAGA”). The Alleged Claims include the allegation that Defendants committed unfair business practices under California Business & Professions Code Section 17200 by the alleged conduct, and all claims to entitlement to damages, restitution, civil and/or statutory penalties (including penalties imposed or made collectible by the Labor Code Private Attorney General Act (a.k.a. “PAGA”)), interest, attorneys’ fees, costs, declaratory and other equitable relief as a result of the alleged conduct. The Company vigorously denies the allegations in the lawsuit and further denies that the case may properly proceed as a Class Action or PAGA representative action.
7. On July 20, 2018, the Court gave preliminary approval to a settlement of the action. The Court has made no opinion on the merits of the Lawsuit and has only given preliminary approval to the Settlement of the Lawsuit. Defendants do not admit to any of the claims alleged in the Lawsuit and deny that they owe money for the alleged violations of the California Labor Code. Defendants are settling the Lawsuit as a compromise in order to avoid the costs of continued litigation. Defendants reserve the right to object to any claim by Class Members if for any reason this settlement fails.

WHO REPRESENTS THE PARTIES?

8. The following attorneys represent the parties in the Lawsuit:

Attorneys for the Plaintiffs (employees):

Patrick J.S. Nellies, Esq.
ADVANTAGE LAW GROUP, A.P.C.
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Attorneys for the Defendants:

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**David W. Baumgarten Esq.
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San Diego, CA 92108
Telephone: (619) 220-8790
E-mail: baum@yblaw.com**

WHAT TO DO IF YOU WANT TO RECEIVE PART OF THE SETTLEMENT

9. If you want to receive part of the Settlement, you need do nothing. A check will be mailed to you following final approval of the Settlement by the Court.
10. If the name or address information provided on the Settlement Allocation Form is incorrect, please make corrections. (For example, if your address is incorrect, please provide the correct information.) If you wish to have confirmation that your corrected or missing information has been received by the Settlement Administrator, you may do so by calling the Settlement Administrator.

**The Watchlight Corporation and Alarm Relay, Inc. Settlement
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Toll-Free: 1(888) 345-6702
Website: <http://www.cptgroup.com/WatchlightSettlement>**

11. If you are a Class Member and you choose to receive money from the Settlement, you will be bound by all of the provisions of the Settlement Agreement, including a release of claims that will prevent you from separately suing Defendants and the Releasees defined in the Settlement.

WHAT HAPPENS IF YOU DO NOTHING IN RESPONSE TO THIS NOTICE?

12. If you do nothing in response to this notice, you will be bound by the terms of the Settlement, including the release, described below. Therefore, you will not have the right to separately pursue any claims you may have against Defendants if you do nothing, and will be forever barred from doing so.

WHAT SHOULD YOU DO IF YOU WANT TO EXCLUDE YOURSELF FROM THIS SETTLEMENT?

13. You may retain your right to pursue any claims you may have separately from this Lawsuit by “opting out” of the Settlement Class. You may opt out of the Settlement Class by submitting a written and signed Request for Exclusion to the Settlement Administrator at the address listed in Paragraph 10 above, on or before September 24, 2018. The Request for Exclusion must state the Putative Class Member's name, address, approximate dates of employment with Defendants, last 4 digits of their social security number in addition to a statement that they request to be excluded from the settlement and benefits of the settlement in the matter of *Carolyn McCormick and Terrie Beams v. The Watchlight Corporation and Alarm Relay, Inc.* Case No. 37-2017-00021109-CU-OE-CTL. The Request for Exclusion must be signed by the Putative

Class Member. Your Request for Exclusion must be signed and must be postmarked on or before September 24, 2018.

14. If you chose to opt out, you will not receive any money from the Settlement, and **you will not have any right to object to the Settlement**. Any request for exclusion submitted after September 24, 2018 will be disregarded, and if you submit a late request for exclusion, you will not be able to pursue any claims separately from the Lawsuit. Furthermore, if the Settlement is approved by the Court, the PAGA claims will still be eliminated by the Settlement. This means if you opt-out and are a PAGA Allegedly Aggrieved Employees, you may still receive a payment with respect to the settlement of PAGA claims and be prevented from seeking civil penalties under PAGA. “PAGA Allegedly Aggrieved Employees” means any and all non-exempt employees (including “Dispatchers” and “Data Entry” employees) of Defendants who worked in Defendants’ Central Station in California at any time between June 12, 2016, and July 20, 2018.

WHAT IF YOU DO NOT AGREE WITH THE SETTLEMENT?

15. **IF YOU DO NOT AGREE WITH THE SETTLEMENT**, you can ask the Court to deny approval by filing an objection. You can’t ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object.
16. Any Putative Class Member who wishes to object to the Settlement must file a written objection with the Court (an “Objection”) and must serve copies of the written Objection to the Settlement Administrator, Class Counsel, and counsel for Defendants, no later than September 24, 2018. The date of service of any written Objection is deemed to be the date the objection is deposited in the U.S. Mail, postage pre-paid, as evidenced by the postmark. The date of filing of any written Objection is deemed to be the date the objection is file-stamped by the court as being filed. The Objection must set forth the Putative Class Member’s name, addresses, approximate dates of employment with Defendants, and last 4 digits of their social security number, in addition to, in clear and concise terms, the legal and factual arguments supporting the objection. Unless otherwise permitted by the Court, neither Class Members nor their attorneys, representatives, agents, successors, or assignees shall be entitled to speak at the Final Approval Hearing unless the Class Member has submitted a timely written Objection pursuant to this subsection, which also indicates their desire to speak at the Final Approval Hearing. Any Class Member who fails to file and serve a timely written Objection in the manner described above will be deemed to have waived all objections and/or contests to the Settlement and will be foreclosed from contesting and/or attacking the validity of the Settlement (whether by appeal or otherwise). You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.
17. To appear at the Final Approval Hearing in Court, you must first file and serve a written objection to the Settlement, as described in paragraph 16, above. If you wish to appear at the Final Approval Hearing, you must indicate in your written objection that you wish to speak at the Final Approval Hearing. You may appear at the Final Approval Hearing in *propria persona* (meaning you choose to represent yourself) or through your own attorney. To do so, you or your attorney must also file an Entry of Appearance with the Clerk of the Court, at the court address listed in Paragraph 19, below, and deliver copies to each of the attorneys listed above in Paragraph 8, no later than October 10, 2018.
18. If you object to the Settlement, you will remain a member of the Class and, if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make and serve his or her written objections in the manner provided above shall be deemed to have waived such objections and shall be foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement. Any

Member of the Settlement Class who does not object to the proposed Settlement need not appear at the Settlement Hearing.

SUMMARY OF THE SETTLEMENT AGREEMENT

19. This notice summarizes the proposed Settlement. To view the precise terms and conditions of the Settlement, the Motion for Preliminary and Final Approval of the Class Action Settlement, Motion for Attorney's Fees, Costs and Enhancement Award, and other relevant documents you may contact class counsel (see paragraph 8, above for class counsel's contact information); and/or access the Court documents by visiting the office of the Clerk of the Court for the San Diego Superior Court at The Hall of Justice, 330 W. Broadway, San Diego, CA 92101 between 8:30 a.m. – 4:00 p.m., Monday through Friday, excluding Court holidays. **PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.**
20. Settlement Amount. Defendants and the Plaintiffs have agreed that, in order to resolve this action, Defendants will pay a maximum of One Hundred Thirty Seven Thousand Five Hundred Dollars (\$137,500) (hereinafter the "Class Settlement Amount"), in exchange for the releases of claims against it set forth in the Settlement. The Class Settlement Amount will be used to pay (i) the settlement awards of Participating Class Members, i.e. Putative Class Members who do not validly exclude themselves from the Lawsuit; (ii) Enhancement Service Awards to the Plaintiff Carolyn McCormick and Plaintiff Terrie Beams in an amount not to exceed \$2,500 each (\$5,000 total) to be determined by the Court for their activities as a named plaintiffs in the Lawsuit; (iii) a payment of administrative costs to administer the settlement, up to a maximum amount of \$8,500.00; (iv) a PAGA Payment of \$10,000 total, of which \$7,500 will go to the California Labor Workforce and Development Agency and the remaining \$2,500 will be divided among PAGA Allegedly Aggrieved Employees, (v) payment of Class Counsel Award of fees and costs, up to a maximum amount of \$45,833.33 in attorney's fees and \$7,500 in costs; and (vi) employer-side payroll taxes on the wage portion of the settlement amounts. Individual payments to eligible Participating Class Members shall be paid from the Class Settlement Amount based on a formula that will provide a fixed payment, less applicable withholdings and/or deductions required by law, based on the number of workweeks worked by that Participating Class Member between June 12, 2013 and July 20, 2018 as explained in Paragraph 21, below.
21. Payment Formula. The "Net Settlement Amount" shall be the amount of the Class Settlement Amount available for distribution to the Participating Class Members after subtracting the Class Counsel Award, Enhancement Service Award, payments made to the State of California and PAGA Allegedly Aggrieved Employees for resolution of the PAGA claims, and Settlement Administration Costs. After deduction from the Class Settlement Amount for the foregoing sums, to determine each Participating Class Member's Individual Class Member Payment, the Net Settlement Amount will be divided by the total number Compensable Workweeks worked by all Putative Class Members into the Net Settlement Amount and then multiplying the quotient by the Compensable Workweeks for each Participating Class Member between June 12, 2013 and July 20, 2018. The wage portion (1/3rd) of resulting Individual Class Member Payments will be subject to mandatory deductions for employee and employer-side taxes prior to distribution to Participating Class Members. In addition, each PAGA Allegedly Aggrieved Employee shall receive their pro-rata share of the \$2,500 PAGA payment which will be calculated by taking the \$2,500 portion of the PAGA Payment allocated to PAGA Allegedly Aggrieved Employees and dividing it by all Compensable Workweeks of PAGA Allegedly Aggrieved Employees between June 12, 2016 and the date of Preliminary Approval to obtain a per Compensable Workweek value. Each PAGA Allegedly Aggrieved Employees' share of the PAGA Payment will then be determined by multiplying their Compensable Workweeks during the PAGA period by that value. The entire portion of the PAGA payments to PAGA Allegedly Aggrieved Employees shall be categorized as penalties for tax purposes.

Class Members must negotiate their settlement checks within 180 days of the date of mailing. Any checks not negotiated within that time shall be voided. The funds represented by voided checks will then be forwarded to the State of California Department of Industrial Relations to be administered according to that department's procedures for distributing unclaimed funds to employees.

22. Attorney's Fees for Class Counsel: Class Counsel will be paid from the \$137,500 Class Settlement Amount. The attorneys for the Class will ask for fees of no more than \$45,833.33 and reimbursement of costs of litigation of no more than \$7,500. The actual amount awarded will be determined by the Court to ensure that the amount of attorney's fees and costs is reasonable. Subject to Court approval and the conditions specified in the Settlement Agreement, and in exchange for the release in the Settlement, Defendants shall pay the attorney's fees and costs from the Class Settlement Amount to Class Counsel for prosecution of the Lawsuit. This means that Class Members will not have to pay anything to the lawyers outside of what is set forth in the Settlement.

EFFECT OF THE SETTLEMENT – RELEASE OF ALL CLAIMS

23. Release of Claims:

Upon the Effective Date, all Class Members will be deemed to have, and by operation of the Order of Final Approval will have, expressly waived and relinquished, to the fullest extent permitted by law, all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, whether known or unknown, that each such Class Member had, now has, or may hereafter claim to have against the Released Parties, arising at any time between June 12, 2013 and through July 20, 2018, out of, or relating in any way to the Alleged Claims or that arise out of the same nucleus of operative facts as the Alleged Claims for, or in the nature of: (1) failure to provide meal periods under California law; (2) failure to authorize and permit rest breaks under California law; (3) failure to provide properly itemized wage statements under California law; (4) waiting time penalties under California Labor Code § 203 for failure to pay final wages in violation of California Labor Code §§ 201-202; (5) unlawful and unfair business acts and practices in violation of California Business & Professions Code §§ 17200 *et seq.*; and (6) claims for civil penalties under PAGA. The Alleged Claims include the allegation that Defendants committed unfair business practices under California Business & Professions Code Section 17200 by the alleged conduct, and all claims to entitlement to damages, restitution, civil and/or statutory penalties (including penalties imposed or made collectible by the Labor Code Private Attorney General Act (a.k.a. "PAGA")), interest, attorneys' fees, costs, declaratory and other equitable relief as a result of the alleged conduct, (collectively, the "Class Released Claims"). Without limiting the foregoing, the "Released Claims" include, to the extent permitted by law: (a) any claims and causes of action, whether known or unknown, that were or could have been alleged or asserted based on the same nucleus of operative facts as the Alleged Claims; (b) any claims that were or could have been brought under California Labor Code Sections 218.5, 226, 226.7, 512, 558, 203, 256, 2698 *et seq.* ("PAGA"), the applicable provisions of the Industrial Welfare Commission Wage Orders, and all related or corresponding federal laws, and all implementing regulations and interpreting guidance arising from the same nucleus of operative facts of the Alleged Claims; (c) any claims that were or could have been brought under California Business and Professions Code Section 17200 *et seq.* as unlawful, fraudulent or misleading based on the claims, facts and allegations alleged in the Lawsuit (including, but not limited to, claims of conduct unlawful under state or federal law) arising from the same nucleus of operative facts as the Alleged Claims; (d) any other causes of action that are based on or relate to meal or rest period violations, improper wage statements, or unfair business practices, including related premiums, penalties, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy, which arise from the same nucleus of operative facts of the Alleged Claims.

Upon the Effective Date, all PAGA Allegedly Aggrieved Employees and the LWDA/State of California will be deemed to have, and by operation of the Order of Final Approval will have, expressly waived and relinquished, to the fullest extent permitted by law, all claims, charges, complaints, liens, demands, causes of action, obligations, statutory and civil penalties, damages and liabilities, whether known or unknown, that had, now has, or may hereafter claim to have against the Released Parties, arising at any time between June 12, 2016 and through July 20, 2018, out of, or relating in any way to the Alleged Claims, including expressly claims for civil penalties recoverable by the State or by aggrieved employees under PAGA arising from the same nucleus of operative facts of the Alleged Claims for: (1) failure to provide meal periods under California law; (2) failure to authorize and permit rest breaks under California law; (3) failure to provide properly itemized wage statements under California law; (4) waiting time penalties under California Labor Code § 203 for failure to pay final wages in violation of California Labor Code §§ 201-202; and (5) unlawful and unfair business acts and practices in violation of California Business & Professions Code §§ 17200 *et seq.*, (herein “PAGA Released Claims”).

The Class Released Claims and the PAGA Released Claims are collectively termed “Released Claims.” With respect only to any and all Released Claims enumerated above, the Class Members and PAGA Allegedly Aggrieved Employees agree that, upon the Effective Date, they shall and have, by operation of the judgment, waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Class Members may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of their Released Claims, but stipulate and agree that the Class Members, upon the Effective Date, fully, finally and forever settle and release any and all their Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity and without regard to the subsequent discovery or existence of such different or additional facts. The Class Members are deemed by operation of the Order of Final Approval to have agreed not to sue or otherwise make a claim against any of the Released Parties for any of their Released Claims.

The PAGA Allegedly Aggrieved Employees may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of their PAGA Released Claims, but stipulate and agree that they, upon the Effective Date, fully, finally and forever settle and release any and all their PAGA Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity and without regard to the subsequent discovery or existence of such different or additional facts.

24. Conditions of the Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of Class Members.

FINAL SETTLEMENT APPROVAL HEARING
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25. Every class action settlement must be approved by the court that presided over the class action lawsuit. Thus far, the Court has only decided that the proposed Settlement may be fair and, therefore, justifies

distribution of this Notice. In order to decide whether to give final approval to the proposed Settlement, the Court will consider related papers and comments submitted by the parties or others and hold a hearing in open court. The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement Agreement is currently scheduled to take place on **November 9, 2018**, at 1:30 p.m. in Courtroom C-72 of the San Diego Superior Court at The Hall of Justice, 330 W. Broadway, San Diego, CA 92101. The date and/or time of the Final Approval Hearing may change without further notice to the class

WHAT TO DO IF YOU NEED ADDITIONAL INFORMATION
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26. This notice only summarizes this Lawsuit, the Settlement, and related matters. For more information about the Settlement or if you have any questions regarding the Settlement, you may contact Class Counsel or the Settlement Administrator at the following address and telephone number:

Settlement Administrator:

**The Watchlight Corporation and Alarm Relay, Inc. Settlement
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Toll-Free: 1(888) 345-6702
Website: <http://www.cptgroup.com/WatchlightSettlement>**

Class Counsel:

**Patrick J.S. Nellies, Esq.
ADVANTAGE LAW GROUP, A.P.C.
5820 Oberlin Drive, Suite 110
San Diego, CA 92121
Telephone: (858) 622-9002
Facsimile: (858) 622-9540
E-mail: pnellies@advantagelawgroup.com**

Do not contact the Clerk of the Court about this matter.