

AMERICAN ARBITRATION ASSOCIATION

Robert Stone, an individual, on behalf of himself and all others similarly situated,

Claimant,

v.

UNIVERSAL PROTECTION SERVICE LP, a California Limited Partnership, and Does 1 through 100,

Respondents.

AAA Case No. 01-15-0002-7497
Arbitrator: Hon. Kevin Murphy (Ret.)

NOTICE OF SETTLEMENT OF CLASS, COLLECTIVE, AND REPRESENTATIVE CLAIMS

If you worked for Universal Protection Service, LP in California as a non-exempt security professional at any time from February 26, 2011 until November 22, 2017, you may be entitled to a cash payment under this Settlement.

An Arbitrator with the American Arbitration Association authorized this notice. This is not a solicitation from a lawyer.

If you are a member of the class, you will be bound by this Settlement and your rights will be affected by this litigation unless you exclude yourself from the class as explained below.

PLEASE READ THIS NOTICE CAREFULLY.

- A former employee of Universal Protection Service, LP (“Universal Protection”) has filed a claim with the American Arbitration Association asserting that Universal Protection violated California and federal law regarding the payment of wages and other wage and hour issues.
- Universal Protection denies these allegations. The Arbitrator has not decided the merits of these claims.
- To avoid further litigation expenses, Universal Protection has agreed to a class, collective and representative settlement. This Notice explains your rights under this Settlement.
- Your legal rights are affected by this Settlement and you have a choice to make now:

FILE A CLAIM	<p>File a Claim Form, get money and release rights.</p> <p>By February 14, 2018, you must return the Claim Form attached to this Class Notice to receive your portion of the Settlement.</p> <p>Your estimated portion of the settlement, assuming all Class Members make a claim, is \$<<Est.SettAmt>> based on <<Weeks>> number of workweeks (total hours worked during Class Period /40).</p> <p>If you file a claim, you give up your right to sue Universal Protection for the claims released by this Settlement.</p>
DO NOTHING	<p>If you do nothing and the Arbitrator orders final approval of the Settlement and such Order is confirmed by the Superior Court, you will not receive any money and you will also give up your rights to file your own lawsuit for claims released by this Settlement.</p>
ASK TO BE EXCLUDED	<p>Removes you from the Class, you receive no settlement money, and you retain your rights.</p> <p>If you ask to be excluded from the Settlement, you will get no payment, but you will keep your rights to sue Universal Protection separately for the same legal claims in this lawsuit.</p>
OBJECT	<p>Write to the Arbitrator about why you do not like the Settlement.</p>

These rights and options—**and the deadlines to exercise them**—are explained in this notice.

Any questions? Read on.

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BASIC INFORMATION

1. Why did I get this notice package?

This Notice explains the nature of this lawsuit, as well as a proposed settlement of this lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this Notice because you may be a member of the Class. The Arbitrator has conditionally certified a Class comprised of:

Any person employed by Universal Protection Service, LP, or any successor, in California as a non-exempt security professional (*e.g.*, security guards, or like titles, positions and/or duties) at any time from February 26, 2011 through November 22, 2017.

2. What is this lawsuit about?

Claimant Robert Stone filed his claim with the American Arbitration Association on February 26, 2015. Claimant asserts claims against Universal Protection for: (1) failure to pay minimum and overtime wages for all hours worked; (2) meal period violations; (3) rest period violations; (4) waiting time penalties; (5) failure to reimburse

for necessary business expenses; (6) wage statement and record keeping violations; (7) unfair business practices; and (8) penalties pursuant to the Private Attorneys General Act (“PAGA”); and (9) Violation of the Fair Labor Standards Act (“FLSA”). Claimant seeks recovery of unpaid wages, restitution, injunctive relief and penalties. Claimant also seeks an award of attorneys’ fees, interest, and costs.

Universal Protection denies all allegations and all wrongdoing, and maintains that it has paid its non-exempt security professionals in compliance with applicable laws. Universal Protection notes that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability. Neither the Arbitrator nor a court have ruled on the merits of the claims.

3. Why is there a settlement?

Instead of going to arbitration, both sides agreed to a settlement. That way, they have avoided the costs and risks of an arbitration so that the affected employees (who do not exclude themselves from the Settlement) will get compensation. The Class Representative and the attorneys think the Settlement is in the best interest of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

4. What does the settlement provide?

Universal Protection will pay up to a maximum of \$30 million (“Total Settlement Amount”) to end this lawsuit.

Class Members who return timely and valid claim forms will receive a portion of the Net Settlement Amount, which is the \$30 million less payments of (1) the amount payable of up to \$15,000 to each of the Named Class Representatives Stone, Cole, Goodwin and Medina as approved by the Arbitrator; (2) the sum of up to \$10 million as attorneys’ fees to Class Counsel as approved by the Arbitrator; (3) the sum of up to \$100,000 as costs to Class Counsel as approved by the Arbitrator; (4) the Administrative Expenses of up to \$200,000 as approved by the Arbitrator; and (5) a \$225,000 payment to the California Labor & Workforce Development Agency.

5. What claims am I releasing as part of this lawsuit?

If you do not exclude yourself from the Settlement, you will be deemed to have released all Released Claims in this Settlement as to the Released Parties. The Released Claims are defined as follows:

The Released Claims include, but are not limited to, any and all claims, wage and hour claims, rights, demands, liabilities and causes of action of any nature or description arising during the Class Period and arising from the facts and claims asserted in the Arbitration and/or Actions and/or the claims that could have been asserted based on the facts ascertained or alleged in the Arbitration and/or Actions against Respondent, including without limitation, claims for statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, equitable relief or other relief under Business & Professions Code § 17200, et seq., based on the following categories: (a) any and all claims involving any alleged failure to pay the minimum wages required by state or federal law; (b) any and all claims arising under state or federal law involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, overtime, or double time wages; (c) any and all claims arising under state or federal law involving any alleged failure to pay straight time, overtime or double time wages, including but not limited to any claim involving “off the clock” work, any claim involving Respondent’s workday or workweek, and any claim involving failure to include bonuses, other incentive pay, or compensation of any kind in the “regular rate” of pay; (d) any and all claims arising under state or federal law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation required by Labor Code § 226.7; (e) any and all claims involving any alleged failure to keep accurate records or to issue proper

wage statements to employees; (f) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim that Respondent violated Labor Code §§ 201 or 202, and any claim for waiting time penalties under Labor Code § 203; (g) any and all claims involving any alleged failure to reimburse for necessary business expenses under Labor Code §§2800 or 2802, including but not limited to any claim that Respondent failed to provide and/or reimburse for uniform items and uniform maintenance; (h) any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq.; and (i) any and all penalties pursuant to the Private Attorneys General Act (“PAGA”) of 2004. The Released Claims include all such claims arising under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 450, 510, 511, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1197.2, 1198, 1199, 2800, 2802, and 2698 et seq.); the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California Civil Code, to include but not limited to claims under §§3336 and 3294; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; and federal common law. Participating Class Members who submit an executed Claim Form expressly waive and release any Fair Labor Standards Act (“FLSA”) claims, whether known or unknown, arising during the Class Period and reasonably related to the claims and allegations in the Arbitration and/or Actions. This release excludes the release of claims not permitted by law and all claims outside the Class Period.

Released Claims do not include: (1) claims asserted in *Parnow, et al. v. Universal Protection Service*, AAA Arbitration No. 01-14-0001-6821 arising from the factual allegations contained in Paragraphs 13 – 16 of the Arbitration Demand or the PAGA claim asserted in *Parnow, et al. v. Universal Protection Service*, Case No. CV 14-334 (Yolo County Superior Court), such PAGA claim is limited to those allegations raised in Paragraphs 13-16 of the Arbitration Demand. The *Parnow* carve-out/exclusion applies only to armed security guards (those who carry firearms in the discharge of their duties) and (2) any claims asserted by David Janata against AlliedBarton Security Services, LLC (or AlliedBarton Security Services, LP) in *Janata v. AlliedBarton*, 37-2013-00030693-CU-OE-CTL, this carve-out/exclusion does not apply to damages and/or claims arising and/or asserted against Respondent after January 1, 2017.

“Released Parties” means:

Universal Protection Service, LP and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with Universal Protection Service, LP or any of its parents), divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, the Released Parties’ clients (but only to the extent of the Released Claims set forth in this Settlement Agreement), any entity with potential joint liability, employee benefit plans and fiduciaries thereof, and affiliated organizations (meaning companies that are less than 50% owned by UPS and/or any of its parents), including but not limited to Universal Protection Service, LLC, Universal Protection Service LP, Universal Services of America, LP, Universal Protection Service, LP d/b/a Allied Universal Security Services (“Allied Universal”), and all of their respective employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns.

6. How much will my payment be?

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Work Weeks a Class Member worked during the Settlement Class Period. Specific calculations of Individual Settlement Payments will be made as follows: The Claims Administrator will calculate the total number of weeks worked by each Class Member (“Individual Work Weeks”) and the total number of Work Weeks worked by all Class Members (“Class Work Weeks”) during the Settlement Class Period. To determine

each Class Member's Individual Settlement Payment, the Claims Administrator will use the following formula: Individual Settlement Payment = Individual Work Weeks ÷ Class Work Weeks × Net Settlement Amount. Work Weeks during the timeframe of February 26, 2011 through April 30, 2012 shall be weighted as 5% of a standard workweek for any Class Members who already settled a portion of their claims during that timeframe through the *Davis/Mitchell-Straub* settlement. For Class Members who opted out of the *Davis/Mitchell-Straub* settlement that had a class ending period of April 30, 2012, such Class Members' Work Weeks will be calculated beginning on February 26, 2011 and weighted 100% of standard Work Weeks.

If the total Individual Settlement Payments claimed by Participating Class Members is less than Seventy Percent (70%) of the Net Settlement Amount, the Individual Settlement Payments will proportionately increase for each Participating Class Member submitting a Claim Form such that the total Individual Settlement Payments will equal not less than Seventy Percent (70%) of the Net Settlement Amount.

The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Members as set forth herein, including employee-side tax withholdings or deductions.

Any Individual Settlement Payments over the Seventy Percent (70%) minimum that are not claimed by any Class Member by the Response Deadline shall not be paid and shall remain the property of Respondent.

The Individual Settlement Payments made to Participating Class Members under this Settlement, and any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.

7. Is the settlement fair?

Class Counsel is experienced in class action litigation and has a duty to represent the interests of all Class Members. Based on analyzing the law concerning the claims, analyzing records, making factual investigations, considering risks involved in further litigation, ensuring that the Class receives payment without having to wait for years of protracted litigation with no certainty of success, and using a professional mediator to assist in reaching a fair settlement of this lawsuit, Class Counsel believes the Settlement is fair, adequate and reasonable.

You are receiving the Notice of this Settlement because the Arbitrator has reviewed the Settlement and has preliminarily determined the Settlement can go forward.

8. Will being part of this Settlement affect my job with Universal Protection?

No. Universal Protection represents that, as required by law, it will not retaliate against any employee as a result of his or her participation in the Settlement.

9. How do I receive payment from the settlement amount?

To receive your portion of the Settlement, you must sign and date the enclosed "Claim Form" and mail it to the address listed on the "Claim Form." **The Claim Form must be delivered to the U.S. Postal Service so that it can be postmarked on or before February 14, 2018.** If you do not sign and return the Claim Form so that it is postmarked by February 14, 2018, and you do not exclude yourself from the lawsuit, you will not receive any payment from the Settlement and you will have released your rights to bring an action against Universal Protection for the claims that are released in this lawsuit.

It is very important that you return the Claim Form if you want to receive payment from this Settlement.

As an alternative to mailing the Claim Form, you may deliver it by any other means to the Settlement Administrator so long as it is received by the Settlement Administrator on or before February 14, 2018. The address of the Settlement Administrator is set forth below. You may also submit a claim online at www.upssettlement.com on or before February 14, 2018.

YOUR RIGHTS AND OPTIONS

You must decide whether to be included in the Settlement or excluded from the Settlement and you have to decide this NOW.

10. Remain a class member.

If you wish to remain a Participating Class Member and obtain any share of the Settlement, then you must submit a timely and valid Claim Form as described in this notice.

11. What happens if I do nothing at all?

If you do nothing and the Arbitrator orders final approval of the Settlement and a Court confirms such order, you will not receive any money and you will also give up your rights to pursue the claims that are released by the Settlement.

12. How do I exclude myself from the settlement?

You have a right to exclude yourself from the Class. If you choose to do so, you may not object to the Settlement and you will not receive any money from the Settlement. You will not be bound by a judgment in this case and you will have the right to file your own lawsuit. You can exclude yourself from the Settlement by notifying the Settlement Administrator in writing of your intent to exclude yourself by February 14, 2018. **Your exclusion letter must state your name, address, social security number, home or cellular telephone number, and state your intention to exclude yourself.** Exclusion letters must be sent directly to the Settlement Administrator at the following address by first class mail, postage prepaid, postmarked on or before February 14, 2018:

Robert Stone v. Universal Protection Service, LP
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

13. May I object to the settlement?

So long as you do not exclude yourself, you may object to the Settlement. No Class Member will be heard or entitled to object to the Settlement, and no briefs or papers submitted by any such person will be considered by the Arbitrator, unless a written objection, together with copies of all supporting papers and briefs, shall have been mailed to ILYM Group Inc. with a postmark no later than February 14, 2018. All objections must be signed and must contain the Class Member's name and address, the address of counsel, if any, and the name of the case and the case number of this lawsuit. Any objections should clearly explain why the Class Member objects to the Settlement.

If a Class Member objects to the Settlement, he or she will remain a member of the Class, and, if the Arbitrator grants final approval of the Settlement and the Superior Court confirms the Order, he or she will be bound by the Settlement in the same way and to the same extent as a Class Member who does not object. Any Class Member who does not make and serve his or her written objections in the manner provided above will be deemed to have waived his or her objections and will be foreclosed from making any objections in the future by appeal or otherwise. Any Class Member who is satisfied with the Settlement need not appear at the Final Settlement Hearing.

The names and addresses of Class Counsel and Universal Protection’s Counsel are:

Class Counsel	Defense Counsel
<p>Heather Davis Protection Law Group, LLP 136 Main Street, Suite A El Segundo, CA 90245 Telephone: (424) 290-3095 Fax: (866) 264-7880 Email: heather@protectionlawgroup.com</p> <p>Peter R. Dion-Kindem The Dion-Kindem Law Firm Peter R. Dion-Kindem, P.C 21550 Oxnard Street, Suite 900 Woodland Hills, CA 91367 Telephone: (818) 883-4900 Fax: (818) 883-4902 Email: peter@dion-Kindemlaw.com</p> <p>Lonnie C. Blanchard, III The Blanchard Law Group, APC 3311 East Pico Boulevard Los Angeles, CA 90023 Telephone: (213) 599-8255 Fax: (213) 402-3949 Email: lonnieblanchard@gmail.com</p> <p>Norm Blumenthal 2255 Calle Clara San Diego, CA 92037 Telephone: (858) 367-9913 Email: Norm@bamlawca.com</p> <p>J.D. Henderson Law Office of J.D. Henderson 215 N. Marengo Avenue, Suite 322 Pasadena, CA 91101 Telephone: (626) 529-5891 Email: jdlaw@charter.net</p>	<p>SHEPPARD, MULLIN, RICHTER & HAMPTON LLP Richard J. Simmons Jason W. Kearnaghan Cassidy M. English Michael T. Campbell 333 South Hope Street, 43rd Floor Los Angeles, California 90071-1422 Telephone: (213) 620-1780 Fax: (213) 620-1398 Email: rsimmons@sheppardmullin.com jkearnaghan@sheppardmullin.com cenglish@sheppardmullin.com mccampbell@sheppardmullin.com</p>

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Arbitrator has approved the law firms of Peter R. Dion-Kindem, P.C., The Blanchard Law Group, APC, Protection Law Group, LLP, Blumenthal, Nordrehaug & Bhowmik, and Alireza Alivandivafa, John F. McCarthy, and J.D. Henderson to represent you and other Class Members in this class action. These lawyers are called Class

Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Arbitrator to approve a payment of \$10 million for attorney's fees and up to \$100,000 for litigation costs, both of which will be paid out of the Total Settlement Amount. These attorney's fees will pay Class Counsel for bringing the lawsuit on your behalf, investigating the facts, litigating the case, and negotiating the Settlement. Universal Protection has agreed not to oppose these attorney's fees or costs. The Arbitrator may award less than these amounts.

FINAL APPROVAL OF THE SETTLEMENT

The Arbitrator will hold a Final Approval Hearing on March 22, 2018 at 10:00 a.m. at 1900 Avenue of the Stars, Suite 200, Century City, CA 90067. You may attend and you may ask to speak, but you don't have to.

16. What is the effect of Final Approval of the Settlement?

If the Arbitrator grants final approval of the Settlement and the Superior Court affirms such Order, all Class Members (who do not exclude themselves) will be bound by the terms of the Settlement, including the release set forth above. Class Members who timely and validly return their Claim Form will receive their portion of the Net Settlement Amount under the terms of the Settlement. Failure to timely return a valid Claim Form will preclude you from receiving any money from this Settlement.

GETTING MORE INFORMATION

17. How do I get more information?

You may contact Class Counsel at the addresses listed above without having to pay for any attorneys' fees. You also have the right to speak with an attorney of your choosing at your own expense. Please do not contact Universal Protection's Counsel or the Arbitrator. You may also view documents related to the settlement and receive more information online at www.upssettlement.com.