

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT**

GLORIA JOHNSON, an individual; AUDRIE R.
WILLIAMS; an individual; and JOSEPH MAYZEL, an
individual

Plaintiff,

vs.

SPI FIELD FORCE, INC., a California corporation; MASS
CONNECTIONS, INC., a California corporation; and DOES
1 through 50 inclusive,

Defendants.

CASE NO. BC334320

CLASS ACTION

**NOTICE OF PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT AND FURTHER
NOTICE OF HEARING FOR FINAL APPROVAL
OF CLASS ACTION SETTLEMENT**

Date Complaint Filed: June 2, 2005

Judge: Ronald M. Sohigian

Courtroom: 41

**NOTICE OF PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND
FURTHER NOTICE OF HEARING FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT**

**TO: ANYONE WHO WAS EMPLOYED AS AN EVENT PERSONNEL BY SPI FIELD FORCE, INC.,
MASS CONNECTIONS, INC. AND SUNSHINE PROMOTIONS INC., IN CALIFORNIA AT ANY
TIME BETWEEN JUNE 2, 2004 AND JANUARY 17, 2008.**

THIS NOTICE MAY AFFECT YOUR RIGHTS; PLEASE READ IT CAREFULLY.

**THIS NOTICE CONCERNS THE SETTLEMENT OF A CLASS ACTION LAWSUIT WHICH CONTAINS
THE FOLLOWING CAUSES OF ACTION AGAINST DEFENDANTS:(1) FAILURE TO PROVIDE AND PAY MEAL
PERIODS IN ACCORDANCE WITH CALIFORNIA LAW; (2) FAILURE TO PAY FOR ALL TIME WORKED; (3)
FAILURE TO KEEP AND MAINTAIN ACCURATE TIME RECORDS; (4) FAILURE TO PAY WAGES ON TIME;
(5) FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS; OR (6) FAILURE TO PAY RELATED WAGE
PENALTIES AND INTEREST FOR WORK PERFORMED. DEFENDANTS DENY THE ALLEGATIONS IN THE
CLASS ACTION LAWSUIT. THE CLASS ACTION LAWSUIT WAS SETTLED, AND THE "PAY OUT FUND"
AMOUNT IS UP TO \$196,980.00.**

PLEASE DO NOT CALL OR WRITE TO THE COURT OR DEFENSE COUNSEL ABOUT THIS NOTICE.

Notice is hereby given that a settlement has been reached in the class action case of *Gloria Johnson et al., v. SPI Field Force Inc. et al.*, filed with the Clerk of the Superior Court of California for the County of Los Angeles, Case No. BC334320. This is not a lawsuit against you. You have not been sued.

A class action lawsuit is an action in which one or more persons, known as the Class Representatives, sue on behalf of themselves and on behalf of others similarly situated, who may have similar claims. The Class Representatives who brought this action on your behalf are Gloria Johnson and Audrie Williams (hereafter referred to as the "Plaintiffs"). Plaintiffs sued on their own behalf, and on behalf of all persons employed as Event Personnel in California by SPI Field Force, Inc., Mass Connections, Inc. and Sunshine Promotions Inc. (hereafter referred to as the "Defendants").¹ Persons employed as Event Personnel between the dates of June 2, 2004 to January 17, 2008 make up the class (hereafter referred to as "the Class" or "Class Members"). The Class Period is June 2, 2004 through January 17, 2008. Plaintiffs claim among other things that such Class Members were not paid for all their time worked, were not paid for meal periods and were not provided accurate wage statements as required under California law.

This Notice is being sent to you based on information that you meet the requirements for obtaining settlement payments in this case.

This Notice is provided to you by the Parties and the Court and: (a) contains a brief description of this lawsuit and summary of the settlement;² (b) explains the purpose of this Notice; (c) discusses your options with respect to this lawsuit and settlement; (d) notifies you how to obtain additional information; (e) sets forth the date by which your claim, request to be excluded from the Class settlement, or objections to the Class settlement and Notice of Intent to Appear at the Final Approval Hearing must be postmarked to be valid.

I.

DESCRIPTION OF LAWSUIT AND SETTLEMENT

On June 2, 2005, Plaintiffs Gloria Johnson and Audrie Williams ("Plaintiffs" or "Named Plaintiffs") filed their original class action complaint in this case alleging the following causes of actions for which class certification was sought: (1) Unpaid Wages; (2) Failure to Provide Meal Periods; (3) Failure to Keep and Maintain Accurate Time Records; (4) Failure to Pay Wages Timely; (5) Failure to Furnish Accurate Wage Statements; (6) Violation of Labor Code §2802; (7) Waiting Time Penalties; and (8) Unfair Competition (Bus. & Prof. Code §17200). In addition, the SAC contained Plaintiff Gloria Johnson's individual claims against Defendants relating to her alleged wrongful termination. Defendants deny liability for all such claims.

On March 2, 2007, the Court denied Plaintiffs' Motion for Class Certification. On April 26, 2007, Plaintiffs filed their timely Notice of Appeal. On September 28, 2007, Plaintiffs filed their opening brief appeal of the Court's denial of class certification. After several months of contentious litigation and a lengthy mediation, the Parties reached a settlement in this case. The Defendants have agreed to, and the Court has granted, conditional class certification for purposes of settlement only.

II.

PURPOSES OF THIS NOTICE

The sole purpose of this Notice is to advise you that the class action lawsuit has been settled and to describe important legal rights you may have which may be affected by the settlement, so that you can make an informed decision relative to any participation by you in the class action settlement. The Court has not ruled on the merits of the claims or defenses asserted by either side in this litigation; however, the Court has preliminarily ruled that the proposed settlement is fair, just, reasonable, and adequate to the Class Members.

III.

WHAT IS THE LAWSUIT ABOUT?

Gloria Johnson and Audrie Williams brought this suit against Defendants for unpaid wages and various Labor Code violations on behalf of themselves and on behalf of all other persons similarly situated. After conducting extensive discovery, litigating this case for nearly three years and attending a formal and lengthy mediation before mediator Lisa Klerman, the case has been settled for \$400,000. The settlement was presented to the Court for Preliminary Approval on

¹ Sometimes Plaintiffs and Defendants are referred to collectively as "The Parties."

² The actual and complete terms of the Settlement are set forth in the Settlement Agreement to settle this class action which can be obtained by contacting Plaintiffs' Counsel or by reviewing the Court file.

January 17, 2008, which the Court granted. The Court also granted conditional certification of the class action for settlement purposes only. The Court has set a hearing for Final Approval of the settlement on May 28, 2008, at 8:30 a.m.

IV.

WHAT ARE THE TERMS OF THE SETTLEMENT?

Defendants will pay up to \$400,000.00 ("Settlement Amount") on a claims made basis to resolve all class claims, wages, civil and statutory penalties, Private Attorney General Act of 2004 ("PAGA") penalties, Fair Labor Standards Act claims, attorneys' fees, costs, payment to Gloria Johnson for her wrongful termination claims, administrative fees, and class representative enhancements, except that any costs and expenses of the claims administrator in excess of \$25,000 shall be borne by the Defendants.

A. Allocation of Settlement Amount

The Settlement Amount shall be allocated among these elements: (a) the Payout Fund in the amount of \$196,680 is the maximum total amount payable to Class Members who submit timely claims; (b) the Fees Award to Class Counsel in an amount not to exceed 33.3% of the Settlement Fund (\$133,320); (c) the Incentive Award to each of Named Plaintiffs in an amount not to exceed \$10,000 to Plaintiffs Johnson and Williams, respectively; (d) an award to Plaintiff Gloria Johnson in the amount of \$25,000 for settlement of her individual causes of action; and (e) the costs and expenses of the Claims Administrator, not to exceed \$25,000. Defendants shall be responsible for all payroll taxes in connection with payments to the class, and such amounts are not payable from the Payout Fund. If there are funds remaining in the Settlement Fund after paying the full amounts of administrative costs, the Fees Award and Incentive Award approved by the Court, and the amounts validly and timely claimed by Settlement Class Members from the Payout Fund, all such funds shall be returned to Defendants.

B. The Settlement Payments

Each member of the Settlement Class will be assigned a respective individual Settlement Amount which will be calculated as follows:

1. The payment amount to each Settlement Class Member shall be calculated by first dividing the Payout Fund by the total number of pay checks issued to all Class Members during the Class Period, producing a Per Paycheck Payout amount. The Paycheck Payout Amount is \$4.86. The Per Paycheck Payout will then be multiplied by the number of paychecks each Class Member received during the Class Period, resulting in the Class Member's individual gross settlement amount. Therefore, by way of example, if you received 10 paychecks, your gross settlement amount would be \$48.60.

2. Payments to a Settlement Class Member will be designated as 75% taxable wages and 25% PAGA penalties (with 75% of the PAGA penalties being provided to the Labor Workforce Development Agency [LWDA] by the Claims Administrator no later than 180 days after the Final Settlement Approval Hearing, and 25% provided to the individual class member). For the seventy-five percent (75%) of each Settlement Award treated as taxable wages, payroll deductions will be made for federal and state withholding taxes and any other applicable payroll deductions owed by the Settlement Class Member as a result of the payment, resulting in a "Net Settlement Amount." The Net Settlement Amount that will be paid to each Settlement Class Member is the Settlement Class Member's "Settlement Award."

3. In the event that the Payout Fund value is insufficient to cover the total value of valid claims submitted by the Class Members, the Payout Fund value shall be distributed to Class Members on a pro rata basis. Defendants will retain all sums from the Pay Out Fund not paid to the Settlement Class.

C. Other Benefits Obtained as a Result of this Settlement

In addition to the monetary aspect of the settlement, Defendants will ensure that their pay stubs comply with Labor Code Section 226(a) and will provide Plaintiffs' counsel with one actual sample pay stub within 10 days after preliminary approval of settlement by the Court. Within 10 days of receipt of said pay stub, Plaintiffs will provide Defendants with written notice specifically identifying any violations of Labor Code section 226(a). Within 20 days of receipt of said notice, Defendants shall have the opportunity to cure any said violations and provide notice of cure to Plaintiffs. If Plaintiffs still believe that the alleged violation was not cured, Plaintiffs may submit this dispute to arbitration.

D. WHY ARE CLASS COUNSEL RECOMMENDING SETTLEMENT?

Considering the risks and costs of continuing litigation, Class Counsel believes this settlement provides the best possible recovery and is in the best interest of the Class. This analysis results from the taking and defending of several depositions, a review of substantial written discovery, your time records and payroll records, the various legal issues in

this case and a formal mediation with mediator Lisa Klerman. This recommendation is also based on a review of selected financial records regarding Defendants.

E. WHAT IF I DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT?

If you do not fall within the description of persons to whom this Class Notice is directed on page one (1), you are not a member of the Class and will not participate in the settlement despite your receipt of this Class Notice. You need do nothing further.

If you do fall within the description of persons described on page one, you are a member of the Class and will participate in the settlement and be bound by it unless you submit a valid and timely Request for Exclusion.

If you wish to be excluded from the class settlement, you should submit a valid and timely Request for Exclusion within sixty days (60) days after you receive this Notice. You will have no rights under the settlement, you will not share in any distribution of settlement monies, and you will not be bound by the settlement or final judgment which the Court enters to implement the settlement.

If you wish to be excluded from the class settlement, your request to be excluded must be in written form, signed by you and state the following: (1) your name, address, Social Security number, telephone number; and, (2) the years of your employment by Defendants. To be valid, your request for exclusion must state all of the foregoing information and must be signed by you. In addition, to be valid your request for exclusion must be mailed to the following address and postmarked on or before April 7, 2008.

Attention:

Johnson v. SPI Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045

F. WHAT ARE THE PROCEDURES FOR PARTICIPATING IN THE SETTLEMENT?

If you fall within the description of persons to whom this Class Notice is directed and do not request exclusion from the Class as directed above, you are and will remain a member of the Class.

The Settlement of this Action includes claims under both California state law and federal law. All Plaintiffs receiving this Notice will be bound by the Settlement as to their state law claims unless they request exclusion as set forth above in Section E. However, only Plaintiffs who complete, sign and return the enclosed Claim Form/FLSA Consent Form will become Settlement Class Members and receive payment. Federal law provides that Plaintiffs will not be bound by the Settlement of their federal law claims unless they complete the enclosed Claim Form/FLSA Consent Form. This means that when you complete, sign and return the Claim Form/FLSA Consent Form, you are doing two things: (1) requesting a monetary award and (2) consenting to join the federal action and to be represented by Named Plaintiffs and their counsel. You therefore have three options:

- If you wish to receive a Settlement Award, you must complete, sign and return the Claim Form/FLSA Consent Form as outlined below in subsection 2. This will also indicate your consent to join the federal law FLSA portion of the Action. You will be bound by the Settlement as to both your state and federal claims.
- If you do not return the Claim Form/FLSA Consent Form or request exclusion, you will be bound by the Settlement as to your state claims but not as to your federal claims, and you will not receive a Settlement Award.
- If you wish to be excluded from the Settlement, you must follow the procedures outlined below. You will not be bound by the Settlement as to either your state or federal claims.

All Class Members who do not request to be excluded from the settlement and in accordance with the procedure described above will be bound by the settlement. To receive a share of the settlement, you must fill out, sign and timely submit a Claim Form/FLSA Consent Form to the Claims Administrator no later than April 7, 2008. If you do not want Class Counsel to represent your rights, you may retain your own counsel at your own expense or enter a legal appearance individually.

1. Submission of a Claim Form

To receive a share of the settlement proceeds you must individually complete and sign the Claim Form under penalty of perjury included with this Class Notice and mail it first-class or equivalent mail (FedEx, UPS etc.) so it is postmarked on or before **April 7, 2008** to:

Attention:

Johnson v. SPI Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045

2. Releases

a. Release of Claims Affecting All Class Members

Excluding those who submit timely and valid requests for exclusions, the Class Members, including Named Plaintiffs, and their successors, assigns, and/or agents, release Defendants and each of their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parent companies and attorneys (the "Released Parties"), from the "Released Claims." For purposes of this Agreement, the "Released Claims" are defined as any and all applicable California wage and hour claims, rights, demands liabilities and causes of action of every nature and description, whether known or unknown, arising during the Class Period for the Class Members based on the claims reasonably related to those alleged in Plaintiffs' lawsuit under California law.

The Released Claims include any unknown claims that the Class Members do not know or suspect to exist in their favor at the time of the release with respect to the released claims, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision not to object to this Settlement. With respect to the Released Claims, the Class Members stipulate and agree that, upon the Effective Date, the Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, 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 they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, whether in tort, contract, or for violation of any state or federal statute, rule, or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the execution hereof, without regard to the subsequent discovery or existence of such different or additional facts.

The Class Members agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released Claims.

b. Release of Claims Affecting Only Class Members Who Return A Claim Form/FLSA Consent Form

All Settlement Class Members, that is, those who return a valid Claim Form/FLSA Consent Form, including Named Plaintiffs, in addition to releasing the Released Parties from the Released Claims as outlined above, release the Released Parties from the "Released Federal Claims." For purposes of this Agreement, the "Released Federal Claims" are defined as: all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known

or unknown, asserted, or that might have been asserted, whether in tort, contract, or for violation of any state or federal constitution, statute, rule or regulation, including federal wage and hour laws, whether for economic damages, non-economic damages, restitution, penalties or liquidated damages, arising out of, related to, or in connection with: (1) any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, which are or could be the basis of claims (a) that the Released Parties failed to compensate the Class Members for all hours worked, including any claim for overtime hours or off-the-clock work, in accordance with federal law; and/or (b) all claims reasonably related to the claims in the SAC; and/or (2) the causes of action asserted in the Class Action, including but not limited to any and all claims for alleged failure to compensate the Class Members for all hours worked, including overtime hours, in accordance with federal law, including claims arising from the Fair Labor Standards Act.

The Released Federal Claims include any unknown claims that the Settlement Class Members do not know or suspect to exist in their favor at the time of the release with respect to the Released Federal Claims, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision not to object to this Settlement. With respect to the Released Federal Claims, the Settlement Class Members stipulate and agree that, upon the Effective Date, the Settlement Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, 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 Settlement Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Federal Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Federal Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the execution hereof, without regard to the subsequent discovery or existence of such different or additional facts.

The Settlement Class Members agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released Federal Claims.

c. Release of PAGA Claims

The Parties, including the Class Members, stipulate and agree that the consideration paid to the Class Members pursuant to this Settlement Agreement compensates the Class for all wages and civil and statutory penalties due to them, all liability for alleged pay stub violations and any related penalties relating to the Class Period. As such, Defendants cannot be liable henceforth for any penalties pursuant to the Private Attorney's General Act ("PAGA") of 2004 relating to the Class Period because Class Members are not "aggrieved employees" for purposes of PAGA with respect to any PAGA claim. The Parties hereto, including the Class Members, further stipulate and agree that even if any Class Member is considered or determined to be an "aggrieved employee" for purposes of the PAGA, said Class Member waives any potential right to any penalty prescribed by the PAGA relating to the Released Claims.

3. Defendants May Not Retaliate Against You for Participating in this Settlement

If you are a current employee of Defendants, you may participate in this settlement without fear of retaliation. Defendants will not retaliate against any employee who participates in this settlement.

4. Final Settlement Approval Hearing

A Final Settlement Approval Hearing will be held at 8:30 a.m. on May 28, 2008, before the Honorable Ronald M. Sohigian, at the Los Angeles Superior Court, Department 41 located at 111 N. Hill Street, Los Angeles, California 90012-3014. The purpose of the Final Approval Hearing will be to confirm, among other things: (1) that the terms of the proposed settlement are fair, just, reasonable and adequate and in the best interest of the class and should be approved by the Court; (2) whether Class Counsel's application for an award of attorneys' fees and expenses should be approved; (3)

whether the Class Representatives' application for an incentive/enhancement award should be approved; and, (4) that the action should be dismissed on the merits with prejudice.

Subject to the conditions set forth below, any member of the class may appear and be heard at the Final Approval Hearing, including for the purpose of objecting to the proposed settlement. However, no Class Member wishing to object to the settlement shall be heard, unless his or her objection or opposition is made in writing and is filed with the Court no later than May 8, 2008, along with proof of service by mail of copies on both counsel for Plaintiffs and Defendants set forth below:

Attention:

Amy Semmel
DONFELD, KELLEY & ROLLMAN
11845 W. Olympic Blvd., Suite 1245
Los Angeles, CA 90064-5095
Telephone: (310) 312-8080
Facsimile: (310) 312-8014
Attorneys for Plaintiffs

AND

Greg Labate
Sheppard Mullin Richter & Hampton, LLP
650 Town Center Drive, 4th Floor
Costa Mesa, California 92626-1993
Telephone: (714) 513-5100
Facsimile: (714) 513-5130
Attorneys for Defendants

YOU DO NOT NEED TO ATTEND THIS HEARING UNLESS YOU WANT TO ATTEND.

The foregoing is only a summary of the Actions and the Class Settlement and does not purport to be comprehensive. For a more detailed statement of the matters involved in the Actions and the Class Settlement, you may refer to the pleadings, the Stipulation of Settlement, and other papers filed in the Actions, which may be inspected at the Court Clerk's Office, Superior Court of California, County of Los Angeles, 111 N. Hill Street, Los Angeles, California 90012-3014, between the Court's normal business hours. Inquiries by Settlement Class Members about the Class Settlement may be directed to Johnson v. SPI Claims Administrator, c/o Desmond, Marcello & Amster, P.O. Box 451999, Los Angeles, California 90045; or you may contact Plaintiffs' Counsel, listed above.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.

BY ORDER OF THE COURT.

Honorable Ronald M. Sohigian
Judge of the Superior Court

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