

NOTICE OF CLASS ACTION SETTLEMENT

Re: *Esparza v. Maryland MarketSource, Inc., et al.*
Superior Court of California for the County of San Mateo, Case No. 18-CIV-01821

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHT TO A MONETARY SETTLEMENT RELATED TO YOUR APPLICATION AND/OR EMPLOYMENT WITH MARYLAND MARKETSOURCE, INC., ALLEGIS GROUP, INC., AND ALLEGIS GROUP HOLDINGS, INC. (“DEFENDANTS”) DURING THE TIME FRAME SPECIFIED BELOW. THIS IS A COURT-ORDERED NOTICE. IT IS NOT FROM A LAWYER AND YOU ARE NOT BEING SUED.

IT IS ESTIMATED THAT YOUR PAYMENT UNDER THIS SETTLEMENT FROM THE CLASS FUND WILL BE \$38.54 PRIOR TO ANY APPLICABLE TAXES AND DEDUCTIONS AS A MEMBER OF THE SETTLEMENT CLASS.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
DO NOTHING	You will receive a payment from the Settlement, and you will release certain claims covered by the Settlement against Defendants.
EXCLUDE YOURSELF	Receive no payment of the Settlement and retain any and all rights you may have against Defendants.
OBJECT	Write to the Court about why you do not agree with the Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement. <u>Note:</u> You may also make an objection by appearing at the Final Approval Hearing.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.

SETTLEMENT CLASS: This Settlement resolves Plaintiff’s alleged claims for violation of the Fair Credit Reporting Act (“FCRA”) (15 U.S.C. §§ 1681 *et seq.*), California Consumer Credit Reporting Agencies Act (Cal. Civil Code §§ 1785 *et seq.*), California Investigative Consumer Reporting Agencies Act (Cal. Civil Code §§ 1786 *et seq.*), with respect to all persons who were the subject of a background report (including a consumer report and investigative consumer report) obtained by Defendant Maryland MarketSource, Inc. from and including April 12, 2013, through and including October 26, 2014. The Settlement Class consists of all persons who were the subject of a background report (including a consumer report and/or investigative consumer report) obtained by Defendant Maryland MarketSource, Inc. from and including April 12, 2013, through and including October 26, 2014. Defendants deny all of Plaintiff’s allegations and claims.

NO MONEY WILL GO BACK TO DEFENDANTS UNDER THE TERMS OF THIS SETTLEMENT.

BASIC INFORMATION

1. What is this lawsuit about?

Plaintiff alleges that Defendants violated the FCRA and California law by procuring a background check report with the use of a non-compliant disclosure form. Defendants deny liability. This Settlement constitutes a compromise of highly disputed claims and should not be construed as an admission of liability on Defendants' part.

2. Why is this a Class Action?

In a class action lawsuit, one or more people called the "Class Representative" (in this case, Plaintiff) sue on behalf of people who the Class Representative alleges have similar claims. The people together are a "Settlement Class" or "Settlement Class Members." The Superior Court of California for the County of San Mateo (the "Court") has granted preliminary approval of the proposed settlement (the "Settlement") of this class action lawsuit.

3. Why is there a Settlement?

In the interest of efficiency and economy, the Parties to the litigation decided to resolve the litigation through the Settlement. In this way, the Parties avoid the risks and costs of trial. After settling the case, the Court will not decide who is right or wrong. Instead, it will determine whether the Settlement is fair, reasonable, and adequate. If the Settlement does not receive final approval from the Court, the Settlement Class Members will not get the benefits of this Settlement and Plaintiff will need to go back to court to prove his case through trial.

4. Why did I receive this Notice?

You received this Notice because Defendants' records show that you are a Settlement Class Member in this case, as described below.

WHO IS IN THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

Whether you are in the Settlement depends on whether you are a Settlement Class Member. You are a Settlement Class Member if you were the subject of a background report (including a consumer report and investigative consumer report) obtained by Defendant Maryland MarketSource, Inc. from and including April 12, 2013, through and including October 26, 2014. Defendants' records indicate that you are a Settlement Class Member.

6. What are my options?

As a Settlement Class Member, you have several options available to you. You may:

- (i) Participate in the Settlement and receive a settlement check. To participate in the Settlement, you do not need to do anything. You will receive a settlement check that will be mailed to you after the Court grants final approval of the Settlement. The estimated amount of your settlement check is listed on Page 1 of this Notice.
- (ii) Object to the Settlement; or
- (iii) Request to be excluded from the Settlement.

SETTLEMENT BENEFITS – WHAT COULD YOU RECEIVE?

7. What are the Settlement terms?

“Settlement Class” shall consist of all persons who were the subject of a background report (including a consumer report and investigative consumer report) obtained by Defendant Maryland MarketSource, Inc. from and including April 12, 2013, through and including October 26, 2014. No Settlement Class Member will receive more than one payment from the class fund. Settlement Class Members who do not opt out of the Settlement Class will be bound by the Settlement and will release their claims against Defendants as specified in the Settlement.

Defendants have agreed to pay a non-reversionary Gross Settlement Amount (“GSA”) of \$1,198,375.00 to fully resolve all claims in the lawsuit, including payments to Settlement Class Members, attorneys’ fees and costs, and the Class Representative Service Award. The specific settlement terms are as follows:

The GSA under the Settlement is \$1,198,375.00, from which payments will be made for: (a) attorneys’ fees, expenses and costs incurred by Class Counsel, subject to Court approval; (b) the Class Representative Service Award in an amount approved by the Court; (c) any Court-approved costs for Notice and settlement administration by a third-party administrator selected by agreement of the Parties and approved by the Court; and (d) all payments to Participating Settlement Class Members.

The settlement funds remaining after deductions from the GSA of Class Counsel’s attorneys’ fees and costs, the Class Representative Service Award, and the Settlement Administration Costs shall be the Net Settlement Amount (“NSA”) distributed to the Participating Settlement Class Members. The GSA is non-reversionary, meaning no amount of the GSA will be retained by, or revert back to Defendants. Any monies in the GSA that are remaining shall be sent to the Alliance for Children’s Rights, as a *cy pres* beneficiary.

8. How will my Settlement payment be calculated?

After deduction of the Court-approved attorneys’ fees and expenses, the Class Representative Service Award, and the Settlement Administration Costs set forth above, the remainder of the NSA shall be distributed pro rata to Participating Settlement Class Members. The pro-rata share shall be calculated by dividing the Net Settlement Amount by the number of Participating Settlement Class Members in the Settlement Class.

9. What are the possible settlement benefits from this Settlement?

You have the right to receive money from the Settlement if you received this Notice. The estimated amount of your share of the settlement money is listed on the first page of this Notice.

California law and Defendants' policy strictly prohibit any retaliation against you for participating in the Settlement. Defendants will not take any adverse action against you because of your decision to participate in this Settlement. Defendants want you to participate in the Settlement. Whether you participate in the Settlement or not, no amount Defendants have agreed to pay under the terms of the Settlement will go back to Defendants.

10. How do I participate in the Settlement and get a settlement payment?

You do not need to do anything to participate in the Settlement and receive a settlement payment. You will receive a settlement check that will be mailed to you after the Court grants final approval of the Settlement.

11. When will I get my settlement check?

Checks for the amount of each Participating Settlement Class Member's individual settlement payment will be distributed if and when the Settlement receives final approval from the Court. Settlement checks will be sent to the address listed on this Notice. If you move after receiving this Notice, fill out the change of address section on this Notice or prepare a letter with your new address and mail the Notice or letter to Esparza v. Maryland MarketSource at PO Box 23459, Jacksonville, FL 32241. You can also call the Settlement Administrator at (800) 393-1266 and advise them of your new address.

12. Will I have to pay taxes on my settlement payment?

Participating Settlement Class Members will be responsible for paying any taxes owing for their settlement payments. The Settlement Administrator will issue Form 1099s with respect to such payments to the extent required by law. Without any party hereto admitting any liability of any type or kind, the Parties agree and intend that the payments made under this Settlement are compensatory payments to the Participating Settlement Class Members intended to compensate Participating Settlement Class Members for alleged damages. Each settlement share is allocated one hundred percent to non-wages.

13. Am I giving anything up by remaining in the Settlement Class?

Unless you remove yourself from the Settlement (which is called "excluding yourself" or "opting out"), you are a Participating Settlement Class Member. As a Participating Settlement Class Member, court orders will apply to you, and you will be bound by the Release of Claims set forth in the Settlement Agreement. A release means you cannot sue or be part of any other lawsuit against Defendants about the claims or issues being released in this lawsuit for the class period.

If the Court approves the proposed Settlement, the Settlement Agreement will bind all Settlement Class Members who have not opted out of the Settlement and will bar them from bringing the claims described in the release below against Defendants. Specifically, after Court approval, the Settlement provides for the following releases:

Release of Claims: “Participating Settlement Class Members” means all Settlement Class Members who do not submit a valid and timely request for exclusion on or before the Response Deadline and who shall be bound by all terms of the Settlement, if the Settlement is approved by the Court, and be issued their Individual Settlement Award.

“Settlement Class Members’ Released Claims” means and includes all manner of action, causes of action, claims, demands, rights, suits, obligations, restitution, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys’ fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, which Plaintiff and Settlement Class Members have or may have against the Released Parties arising out of or relating to any allegations limited to the first through fourth causes of action made in the Action, any legal theories that could have been raised based on the allegations limited to the first through fourth causes of action in the Action, and all claims of any kind relating in any way to, or arising out of, background checks and/or consumer reports of any kind presented in the Action based on the facts alleged in the Complaint, including but not limited to claims under the Fair Credit Reporting Act (“FCRA”) (15 U.S.C. §§ 1681 et seq.), California Consumer Credit Reporting Agencies Act (Cal. Civil Code §§ 1785 et seq.), and California Investigative Consumer Reporting Agencies Act (Cal. Civil Code §§ 1786 et seq.), “Settlement Class Members’ Released Claims” includes claims for actual, statutory, liquidated, punitive or any other form of damages, as well as for attorneys’ fees and costs, EXCEPT those claims or allegations arising from or relating to the fifth through eleventh causes of action that are not part of this Action. “Settlement Class Members’ Released Claims” shall be construed as broadly as possible to effect complete finality over this Action.

“Released Parties” refers to each of the Defendants, all affiliated entities, and their past, present, and future parent companies, holding companies, limited liability companies, affiliates, subsidiaries, divisions, predecessors, successors, partners, owners, joint ventures, affiliated organizations, shareholders, insurers, reinsurers and assigns, and each of its/their past, present and future officers, directors, members, managers, trustees, subcontractors, customers, agents, employees, attorneys, contractors, representatives, plan fiduciaries and/or administrators, benefits plans sponsored or administered by Defendants or affiliated entities, or divisions, units, branches, and any other persons or entities acting by, through, under, or in concert with them.

YOUR RIGHTS – OBJECTING TO THE SETTLEMENT AND APPEARING AT THE HEARING

14. How do I object to the Settlement?

You may object to the proposed Settlement in writing. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing should clearly identify the case name and number (*Esparza v. Maryland MarketSource, Inc., et al.*, Case Number 18-CIV-01821

and be mailed to the Settlement Administrator on or before 60 calendar days from mailing of the Notice.

You may also appear at the Final Approval Hearing at your expense either telephonically (see Paragraph 16) or through an attorney. The Court, in its sole discretion, may permit any Participating Settlement Class Member to address the Court at the Final Approval Hearing and may consider any statements made by a Participating Settlement Class Member.

If the Court rejects your objection, however, you will be bound by the terms of the Settlement. Persons who exclude themselves from the Settlement may not submit objections to the Settlement or appear at the Final Approval Hearing.

15. Who are the attorneys representing the Parties?

Plaintiff and Class Members’ Attorneys
(“Class Counsel”):

Shaun Setareh
William M. Pao
SETAREH LAW GROUP
9665 Wilshire Boulevard, Suite 430
Beverly Hills, California 90212
Tel. (310) 888-7771
Fax (310) 888-0109

Defendants’ Attorneys:

Rod M. Fliegel
Emily Mertes
LITTLER MENDELSON, P.C.
333 Bush Street, 34th Floor
San Francisco, CA 94104
Tel. (415) 433-1940
Fax (415) 399-8490

16. Can I appear at the Final Approval Hearing?

You are not required to attend the Final Approval Hearing, although any Participating Settlement Class Member is welcome to attend.

Participating Settlement Class Members may appear at the Final Approval Hearing either in person in the courtroom or by telephone via CourtCall.

Participating Settlement Class Members who wish to appear by CourtCall should contact Class Counsel at least three days before the hearing, if possible, to arrange a telephonic appearance. Any CourtCall fees for an appearance by an objecting Participating Settlement Class Member will be paid by Class Counsel.

YOUR RIGHTS – GETTING OUT OF THE SETTLEMENT

17. Can I remove myself from the Settlement?

Any Settlement Class Member who wishes to be excluded from the Settlement Class and Settlement must submit a written request to be excluded on or before the Response Deadline. “Response Deadline” means the date sixty (60) calendar days after the Settlement Administrator mails the Notice Packets to Settlement Class Members and the last date on which Settlement Class Members may postmark an objection to or opt out of the Settlement. To the extent any mailed

Notice Packet is returned as undeliverable, such person shall be permitted at least sixty (60) calendar days from any re-mailing of the Notice Packet to submit their objection or request to opt out.

Such request for exclusion: (1) must contain the full name, address, telephone number, the last four digits of the Social Security number of the person requesting exclusion, and a statement that they request exclusion from the Settlement Class and do not wish to participate in the Settlement; (2) be signed personally by the individual that seeks exclusion from the Settlement Class; and (3) be postmarked by the Response Deadline and returned by mail to the Settlement Administrator at the following specified address *Esparza v. Maryland MarketSource*, PO Box 23459, Jacksonville, FL 23459. **Do not send the request for exclusion to the Court.** The judgment following approval of the Settlement by the Court will bind all Settlement Class Members who do not request exclusion from the Settlement.

18. What is the difference between excluding and objecting?

Excluding yourself or opting out means removing yourself from the Settlement Class and the Settlement altogether – you will not receive any money or be bound by the terms of the Settlement. Objecting means that you are remaining in the Settlement Class and will receive money and be bound by the terms of the Settlement, but that you are complaining about some part of the Settlement that you do not like.

WHAT IF I DO NOTHING?

19. What if I do nothing?

If you do nothing, you will be bound by the terms of the Settlement, which means you will receive a settlement payment and cannot bring a lawsuit against Defendants regarding the Released Claims covered by the Settlement.

DO I NEED TO HIRE MY OWN LAWYER?

20. Do I need to hire my own lawyer?

You do not need to hire your own lawyer, but you can if you want to. Plaintiff, you, and the entire Settlement Class are already represented by the Plaintiff’s attorneys listed above, who are known as Class Counsel. Class Counsel’s services are paid for under the Settlement. If you decide to hire your own attorney, you will have to pay for your own attorney’s services.

You may contact Class Counsel if you have any questions about this Notice or the Settlement, but please *do not contact the Court or Defendants*.

FINAL APPROVAL OF SETTLEMENT

21. When will the Settlement be final?

The Final Approval Hearing on the fairness, reasonableness, and adequacy of the Settlement will be held on November 25, 2024, at 3:00 p.m. at Department 23, Superior Court of the County of San Mateo, 400 County Center, Redwood City, CA 94063. The hearing may be continued without further notice. **You are not required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend. If you wish to do so, please note that special procedures may apply (see paragraph 16).**

MORE INFORMATION

22. Where can I get more information?

This Notice is only a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (1) online on the Settlement Administrator's website at www.EsparzaFCRASettlement.com; (2) online on the Superior Court of California, County of San Mateo's Electronic Filing and Service Website at sanmateocourt.org/online_services/; (3) in person at Records, Superior Court of California, County of San Mateo, 400 County Center, Redwood City, CA 94063, between the hours of 9:00 a.m. and 12:00 p.m., Monday through Friday, excluding Court holidays and closures; or (4) you may contact Class Counsel or the Settlement Administrator listed above for more information.

**PLEASE DO NOT CALL THE COURT, DEFENDANTS, OR ITS
ATTORNEYS REGARDING THIS SETTLEMENT OR THE
ADMINISTRATION PROCESS.**