

As a current or former Assistant Vice President of Sales for Freedom Mortgage Corporation you are eligible to get a payment from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- You may have previously received notice related to the settlement of this lawsuit. After notice was sent, the parties discovered that there were an additional seventy-six potential class members not previously identified. To provide payment to these members, the Parties negotiated amended terms to the settlement. Most significantly, the total settlement increased from \$4,000,000 to \$4,480,000. This notice details the terms of the amended settlement.
- The amended settlement provides \$4,480,000 to resolve all claims that Freedom Mortgage Corporation (“Freedom”) failed to pay its Assistant Vice President of Sales overtime for all hours worked over forty in a workweek under federal and state law during the Class Period of May 20, 2013 through June 30, 2016.
- The court-appointed lawyers will ask the Court for up to 33 1/3% of the \$4,480,000 settlement amount as fees for investigating the case, litigating the case, and negotiating the settlement.
- The two sides disagree as to who would win, and how much could be won, if the case went to trial.
- **Your legal rights will be affected whether you act or don’t act.** Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

Submit a Consent Form	By submitting an FLSA Consent Form, either by mailing the Form enclosed with this Notice or by submitting a form online at http://www.freedomlawsuit.com , you will be eligible to participate in this settlement and receive a settlement payment.
Do Nothing	Get no payment. If you do not submit a FLSA consent form, you are not a Class Member and will not participate in the case or be eligible for a payment. You may or may not still be able to prosecute your FLSA claim and any state claims you may have on an individual basis, based on your specific state’s laws and the applicable statute of limitations.
Object	Write to the Court about what you don’t like in the settlement.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement.

- These rights and options – and the deadlines to exercise them – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.
- The manner in which your individual settlement payment is calculated is included in this notice. Questions about this amount can be directed to Class Counsel, identified in this notice.

**QUESTIONS? CALL CLASS COUNSEL OR
VISIT WWW.SWARTZ-LEGAL.COM**

TABLE OF CONTENTS – WHAT IS IN THIS NOTICE PACKAGE

Why did I get this Notice Package? 1

Why was there an amendment to this settlement? 1

What is this lawsuit about and why did it settle? 1

What does the settlement provide and how much will I be paid? 2

How can I receive my payment?..... 3

What am I giving up as a class member?..... 3

How do I exclude myself (opt-out) from this settlement? 3

Final Approval of settlement at Fairness Hearing..... 4

How do I object to the settlement?..... 4

Are there more details about the Settlement? Questions? 4

Do I have an attorney in this case?..... 5

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

DAVID ATIS, *et al.*

Plaintiffs,

v.

FREEDOM MORTGAGE CORPORATION, *et al.*

Defendant.

Case No.: 1:15-cv-03424

NOTICE OF CLASS AND COLLECTIVE ACTION SETTLEMENT

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY.

1. Why did I get this notice package?

You are receiving this notice because records indicate that you (1) worked as an Assistant Vice President of Sales for Freedom Mortgage Corporation (“Freedom”) at some point between May 20, 2013 and June 30, 2016. The above-referenced lawsuit, *David Atis, et al. v. Freedom Mortgage Corporation, et al.*, 15-3424 (the “Lawsuit”), is pending in the United States District Court for the District of New Jersey in Camden, New Jersey (the “Federal Court”). You are receiving this Notice because the Federal Court has ordered that it be mailed to you.

This Notice describes the Settlement and describes how you can join the litigation and thereby obtain a money recovery from the Settlement. This Notice also describes how you can participate in the litigation but object to the Settlement. After the notice period is complete, the Federal Court will conduct a hearing (“Fairness Hearing”) to determine if the Settlement should be approved.

2. Why was there an amendment to this settlement?

Previously, the Federal Court preliminarily approved a settlement (“Original Settlement”) of the Lawsuit of Four Million (\$4,000,000). After preliminary approval was granted and original notice was sent, the parties discovered that there were an additional seventy-six potential class members not previously identified. To provide compensation to these members, the Parties negotiated amended terms to the settlement. Most significantly, the total settlement increased from Four Million (\$4,000,000) to Four Million, Four Hundred and Eighty Thousand (\$4,480,000). This notice sets forth the terms of the amended settlement.

3. What is this lawsuit about and why did it settle?

The Lawsuit alleges that Freedom violated the federal Fair Labor Standards Act (“FLSA”) and various state laws by failing to pay Assistant Vice Presidents of Sales overtime compensation for hours worked over forty in a workweek. Specifically, the Lawsuit contends Freedom misclassified Assistant Vice Presidents of Sales as exempt employees and as a result did not provide any overtime compensation to these employees. After the Lawsuit was filed, Freedom changed its practice and has changed the title

of Assistant Vice President of Sales and reclassified these employees as non-exempt. Thus, the Lawsuit seeks damages during the period from May 20, 2013 through June 30, 2016.

Even though Freedom has defenses to the claims alleged, it has decided to settle the Lawsuit. The Settlement enables Freedom and the Assistant Vice Presidents of Sales to avoid the uncertainty, risks, and time involved in continued litigation.

The employees' attorneys, who are referred to as "Class Counsel," believe that the Settlement benefits the class members. The Settlement provides a benefit to a large number of present and former Assistant Vice Presidents of Sales, and enables the class members to avoid the risk that Freedom could win the lawsuit, in which case class members would recover nothing. The Settlement also enables class members to recover money without the delay of protracted litigation.

The parties' attorneys negotiated the Settlement after nearly three years of litigation that has enabled each side to understand the risks of proceeding with adversarial litigation. Substantial documentation was produced by both sides to enable the Parties to evaluate settlement. Freedom produced pay records, call logs, work schedules, and records relating to compensation plans for all Class Members. Both sides have taken depositions, and significant motion practice has taken place. Class Counsel believe that the Settlement is fair and serves the best interests of the class members. The Federal Judge overseeing the Lawsuit has "preliminarily approved" the Settlement as fair. The Federal Judge will make his final decision regarding the fairness of the Settlement at the Fairness Hearing described in Section 7 below.

4. What does the Settlement provide and how much will I be paid?

Under the Settlement, Freedom has agreed to pay a Settlement amount of Four Million, Four Hundred and Eighty Thousand (\$4,480,000) to resolve all claims asserted in the Lawsuit. If you choose to join the lawsuit, your "Individual Settlement Payment" will be calculated based upon the settlement formula stated in the settlement agreement on file with the Court.

After litigation costs, attorney's fees, settlement administration costs, and service payments are subtracted from the Settlement Fund, the remaining fund (the "Net Fund") will be distributed to all Class Members who elect to participate in the Settlement. Class Members who submit, or have already submitted, a Consent Form will receive a payment as an "Opt-In Plaintiff," as described below. Certain Class Members who worked in either Pennsylvania, New Jersey, or Indiana, but who did not submit a Consent Form will receive a smaller payment as a "Non-Opt-In Class Member."

Because you did not work in Pennsylvania, New Jersey, or Indiana, you are only eligible to participate in this lawsuit as an "Opt-In Plaintiff." Accordingly, in order to receive a payment, you must submit a Consent Form.

All class members who elect to participate in the Settlement will receive as part of the settlement: (1) a flat amount of \$1,000, (2) *plus an additional* pro-rated amount for each workweek employed by Freedom during the Class Period. Individuals who complete a Consent Form will receive an additional amount in liquidated damages which will effectively double their recovery.

Opt-In Plaintiffs will receive half of their settlement amount (the amount which is for liquidated damages) in the form of a non-payroll check with no deduction for payroll taxes or withholdings. This payment will be reported on an IRS Form 1099 issued after the end of the tax year. The other half of their settlement payment will be in the form of a payroll check, less all ordinary payroll taxes and withholdings. This payment will be reported on an IRS Form W2 issued after the end of the tax year.

At the Fairness Hearing, Class Counsel will apply to receive up to one-third of the Total Settlement (equivalent to \$1,493,333.33) for the services they provided. Class Counsel will also seek to recover its out-of-pocket expenses incurred in the Lawsuit, not to exceed \$100,000. This amount will be requested based on the substantial work Class Counsel performed in the Lawsuit and the risk Class Counsel took in bringing the Lawsuit. Class Counsel has conducted extensive investigation in prosecuting the Lawsuit,

including, but not limited to, taking and defending depositions, engaging in motion practice, interviewing employees, reviewing thousands of documents related to the Lawsuit, including electronic records, propounding discovery, answering discovery, reviewing and analyzing substantial amounts of payroll and time data, drafting and filing of motions, and hiring and consulting with experts.

At the Fairness Hearing, Named Plaintiff Atis will request a service fee in the amount of \$10,000, Named Plaintiffs Hertzog and Koeberlein will request a service fee in the amount of \$5,000 each, and the four Plaintiffs who were deposed in this action, Steve Dewitt, Russell Mates, Shawn Menne, and Saul Waule, will request a service fee in the amount of \$5000 each, totaling \$40,000. The Service Payments are requested because these individuals provided service to the Settlement Class by helping Class Counsel formulate claims and by assisting in bringing the Lawsuit forward. The Service Payments are separate from, and in addition to, the portion of the Settlement Fund that they may receive as a member of the Settlement Class.

5. How can I receive my payment?

In order to participate in this lawsuit and receive a settlement payment, you must file a Consent Form.

In order to file a Consent Form, you must complete the attached “Consent to Join Lawsuit” Form (“Consent Form”) and return it in the mail in the enclosed, pre-stamped and self-addressed envelope. You may also opt-in to the lawsuit by completing the attached Consent Form and faxing it to [TPA number], emailing it to [TPA email address], or completing a Consent Form online at www.freedomlawsuit.com. Your executed Consent Form must be postmarked or submitted on or before [30 days from mailing date] to be valid.

If you move prior to receiving a check, you should contact the Claims Administrator at (xxx) xxx-xxxx to notify the Claims Administrator of your new address. You may also provide change of address information via facsimile to (xxx) xxx-xxxx or by e-mail to someone@tpa.com

The parties anticipate that the settlement checks will be issued in or before the Final Quarter of 2019.

6. What am I giving up as a Class member if I Opt-In?

If the Federal Court grants final approval of the Settlement, the Lawsuit will be dismissed with prejudice. If you have joined the lawsuit by filing a Consent Form, the dismissal will release any and all wage-and-hour claims, including wage-and-hour claims under the FLSA claims and state law wage-and-hour claims under New Jersey, Pennsylvania, Indiana law, and any other state wage-and-hour laws governing your employment with Freedom from May 20, 2013 through [date of prelim approval], including but not limited to misclassification claims, off-the-clock claims, meal and rest break claims, and any and all other wage-and-hour claims that were or could have been asserted in this matter, against Freedom.

7. What happens if I do not opt-in to the Settlement?

If you do not opt-in to the lawsuit by filing a Consent Form, you will not release or waive any legal claims, and you will preserve your right to sue Freedom on your own for alleged violations of the Released Claims. However, your personal claims may or may not have expired due to various statutes of limitations which apply to those claims and which have continued to run while this case was litigated. If you do not opt-in to the lawsuit, you will not receive money in this Settlement.

8. Final Approval of Settlement at Fairness Hearing

The Federal Judge presiding over this Lawsuit will conduct a Final Fairness Hearing at [TIME] on [DATE], 2019 in Courtroom [] of the United States Courthouse, Mitchell H. Cohen Building & U.S. Courthouse, 4th and Cooper Streets, Camden, New Jersey, 08101. At the Fairness Hearing, the Judge will decide whether the Settlement is sufficiently fair and reasonable to warrant final court approval. You are not required or expected to attend the Fairness Hearing. However, you are welcome to attend at your own expense. If you plan on attending, please contact Class Counsel so that the Court can be notified to ensure that there is enough space and time allotted for you.

9. How do I object to the Settlement?

If you believe the proposed Settlement is unfair or inadequate in any respect, you may object to the Settlement, either personally or through an attorney at your own expense, by filing a written objection with the Court and mailing a copy of your written objection to [TPA ADDRESS] or you may send your objection via facsimile to (xxx) xxx-xxxx or by e-mail to someone@tpa.com. In order to object to the Settlement, you must also become a class member by filing a Consent Form as outlined above.

All objection(s) to any part of the Settlement must be signed by you or your counsel and set forth your address, telephone number, and the name of the Action: *David Atis, et al. v. Freedom Mortgage, Corporation, et al.* (Civ. No. 1:15-cv-03424). All objections must be postmarked or submitted no later than **30 Days from Mailing**. If you submit a timely objection, you may appear, either personally or through an attorney, at your own expense, at the Final Approval Hearing discussed above. Your objection should clearly explain why you object to the proposed Settlement and must state whether you or someone on your behalf intends to appear at the Final Approval Hearing. If you object to the Settlement, Class Counsel will not represent you in your objection.

Any class member who does not object in the manner described above shall be deemed to have waived any objections, and shall forever be foreclosed from objecting to the fairness and adequacy of the proposed Settlement, the payment of attorneys' fees, service payments, and litigation costs, the claims process, and any and all other aspects of the Settlement.

Please note that unless you join this lawsuit by filing a Consent Form, you will not have standing to object to the Settlement, and the Court will not consider your objection at the Final Fairness Hearing.

10. Are there more details about the Settlement? Questions?

Yes. This Notice summarizes the most important aspects of the Settlement. You can get a copy of the written Settlement Agreement and obtain further information regarding the Lawsuit and the Settlement by calling Class Counsel. Their contact information is listed below. You will not be charged any money for communicating with Class Counsel.

11. Do I have an attorney in this case?

Swartz Swidler, LLC represent the interests of class members in the Lawsuit. Class Counsel will represent you in the Lawsuit and can answer questions for you regarding the Lawsuit and the Settlement. Class Counsel's contact information is below. You will not be charged any money for Class Counsel's representation of you; rather Class Counsel will be paid out of the class-wide Settlement Fund. You also have the right to get your own attorney at your own expense in which case Class Counsel will not represent you in the Lawsuit or Settlement. If you object to the Settlement, Class Counsel will not represent you in your objections.

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