

## NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

### *Chang vs. Cedars Business Services, LLC.*

Superior Court of the State of California, County of Los Angeles, Case No. BC628781

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS IMPORTANT INFORMATION CONCERNING A PROPOSED CLASS ACTION SETTLEMENT THAT AFFECTS THE RIGHTS OF PERSONS WHO RECEIVED CALLS ON CELLULAR PHONES FROM CEDARS BUSINESS SERVICES dba CEDAR FINANCIAL AT ANYTIME BETWEEN JULY 28, 2015 AND APRIL 19, 2018 AND WHOSE CALLS WERE RECORDED**

The purpose of this “Notice” is to inform you of a pending class action Lawsuit (as identified in the heading of this Notice), a proposed “Settlement” of that Lawsuit, and of a hearing to be held by the Court in which you can comment on or object to the Settlement. This Notice describes the basis of the Lawsuit, the basic terms of the Settlement, any rights you may have in connection with the Settlement, the fairness hearing to be held by the Court, and what actions you may take if you are a member of the “Settlement Class”. A full version of the “Settlement Agreement”, and other information about the Lawsuit, is available at the Clerk’s Office of the Los Angeles Superior Court, 111 North Hill Street, Los Angeles, CA 90012 and at [www.CedarRecordingSettlement.com](http://www.CedarRecordingSettlement.com).

**IN ORDER TO BE ELIGIBLE FOR A SETTLEMENT PAYMENT OF AN ESTIMATED MINIMUM AMOUNT OF \$73.34 PER QUALIFYING CALL, YOU MUST COMPLETE THE ENCLOSED CLAIM FORM BY JULY 24, 2019.**

**SEE PAGE 2 OF THE ENCLOSED CLAIM FORM FOR AN EXPLANATION OF THE AMOUNT PAYABLE PER QUALIFYING CALL.**

The factual statements in this Notice are based on information provided to the Court by the parties and are not findings of the Court on the merits of the claims or defenses asserted by any of the parties. This Notice is intended to inform you of your rights under the terms of the Settlement.

TO BE ELIGIBLE TO RECEIVE A SHARE OF THE SETTLEMENT, YOU MUST FILL OUT AND RETURN THE ENCLOSED CLAIM FORM INCLUDED WITH THIS LETTER OR SUBMIT A CLAIM ONLINE AT [WWW.CEDARRECORDINGSETTLEMENT.COM](http://WWW.CEDARRECORDINGSETTLEMENT.COM). THE CLAIM FORM MUST BE POSTMARKED OR ELECTRONICALLY SUBMITTED BY JULY 24, 2019. IF YOU DO NOT COMPLETE A CLAIM BY THIS DEADLINE, YOU WILL NOT RECEIVE MONEY UNDER THE SETTLEMENT. YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT, INCLUDING THE RELEASE OF CLAIMS, WHETHER OR NOT YOU SUBMIT A COMPLETED CLAIM.

### **I. WHAT THIS NOTICE IS ABOUT**

Between August and October of 2018, you were sent a Notice of Rights of Class Members that provided a general description of the lawsuit brought by Stephen Chang (the “Plaintiff”) against Cedars Business Services, LLC dba Cedar Financial (the “Defendant” or “Cedar Financial”). That Notice provided you with an opportunity to exclude yourself from this lawsuit and informed you that you would be bound by the results should you choose to remain in the class.

Following the mailing of the prior Notice, Plaintiff and Cedar Financial agreed on the terms of a settlement, subject to the approval of the Court. The purpose of this Notice is to inform you of the terms of the proposed settlement, inform you what actions you must take in order to receive money from the settlement, and provide you with an opportunity to object to the settlement.

In the Lawsuit, Plaintiff alleged that Cedar Financial recorded outbound calls to cellular phones in California without disclosing the recording at the outset of the call. Plaintiff alleged that the failure to disclose the recording at the outset of the call violates California law. Cedar Financial denies that it violated the law.

The case was heavily litigated and was near trial when the parties reached the proposed settlement. Both sides conducted thorough investigations of the claims, defenses, liability, and risks associated with continuing through trial.

On May 9, 2019, the Court preliminarily approved the Settlement.

## **II. TERMS OF THE SETTLEMENT**

Subject to the Court's approval, the terms of the Settlement are as follows:

- A. **Total Payment to the Class.** Cedar Financial will pay total consideration in the sum of Eight Hundred Thousand Dollars and Zero Cents (\$800,000.00) (referred to herein as the "Gross Settlement Amount").
- B. **Enhancement Fees, Attorneys' Fees and Litigation Costs.** From the Gross Settlement Amount, the Class Representative and Class Counsel will ask the Court to award a maximum of Twenty-Five Thousand Dollars (\$25,000) to the Class Representative as compensation for serving as the class representative in the action (referred to herein as the "Enhancement Payment") and to award attorneys' fees for Class Counsel in an amount not to exceed Three Hundred Twenty Thousand Dollars (\$320,000) plus expenses incurred by Class Counsel not to exceed \$45,000.00. These awards will be subject to Court approval.

In addition, all expenses incurred in administering the terms of the Settlement Agreement, such as providing notice to the Class of the pendency of the settlement, the review and acceptance of claims on behalf of the Class and the payment of settlement funds, as well as all other aspects of the claims administration process, shall be paid for from the Gross Settlement Amount. The Settlement Administration costs shall not exceed Thirty-Three Thousand Five Hundred Dollars and Zero Cents (\$33,500.00).

- C. **Distribution of Net Settlement Amount to Class.** After administration costs, the Enhancement Payment, Attorneys' Fees and costs, the remainder of the Gross Settlement Amount (referred to herein as the "Distribution Amount") will be divided among those who timely submit a valid claim.

The amount an eligible class member will receive is tied into a formula. The Settlement Administrator will total the number of Qualifying Calls attributable to persons who timely submitted valid claims, and divide the amount available for distribution by that number. For example, if the amount available for distribution is \$380,000 and there are 4,000 Qualifying Calls represented on timely and valid claim forms, then each Qualifying Call would result

in a \$95 payment to each settlement class member with an approved timely submitted claim. The maximum recoverable per Qualifying Call is \$5,000.

Class Counsel estimates that the payment per “Qualifying Call” for each valid claim in this case is likely to exceed \$150 given what is known about the total number of Qualifying Calls and claims rates in similar cases, though it may be less if claims rates exceed expected levels. Any unclaimed or undistributed funds will be given to a charity proposed by the parties and approved by the Court.

**TO RECEIVE YOUR PORTION OF THE SETTLEMENT AMOUNT, YOU MUST FILL OUT AND MAIL A CLAIM FORM IN THE ENCLOSED PRE-ADDRESSED ENVELOPE OR COMPLETE THE ONLINE CLAIM FORM NO LATER THAN JULY 24, 2019.**

### **III. YOUR RIGHTS AND OPTIONS**

You have three options under the Settlement: (1) claim your share of money under the settlement; (2) object; (3) do nothing (*but recognize that doing nothing will result in the release of your right to bring certain claims against Cedar Financial and you will not receive any money from the settlement*).

1. **To Claim Money Under the Settlement.** If you wish to receive money under the Settlement, you must complete a Claim Form and submit it by mail or online at [www.CedarRecordingSettlement.com](http://www.CedarRecordingSettlement.com) to the address listed on the Claim Form.

**YOUR CLAIM FORM MUST BE POSTMARKED OR SUBMITTED ONLINE NO LATER THAN JULY 24, 2019.** If your Claim Form is not postmarked by that date, or is incomplete, you will not receive any proceeds from the settlement. If you lose, misplace, or require another Claim Form, you should immediately contact the Settlement Administrator at (888) 250-6810.

2. **To Object to the Settlement.** If you wish to object to the Settlement, then on or before July 24, 2019, you must submit a written objection to the Settlement Administrator at Cedar Financial Class Action, c/o ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781 that clearly and concisely explains the legal and factual basis for your objection. If you do not submit a written objection by July 24, 2019, you may be prohibited from raising any objection at a later date and you may be prohibited from speaking in court at the Final Fairness Hearing on this settlement.

Any objection should include: (1) the name of the Lawsuit (Chang v. Cedars Business Services, LLC, Los Angeles County Superior Court Case No. BC628781); (2) the Class member’s name; (3) your address; (4) your telephone number; and (5) the basis of your objection.

All objections must be signed. If you submit a written objection to the Settlement, you or your attorney may also appear in Court to argue your objection at the Fairness Hearing. The address of the Court and the date, time, and place of the Final Fairness Hearing are set forth in Section VI of this Notice.

If you do not object in the manner described above, you may be deemed to have waived any objections and may forever be foreclosed from objecting to the fairness or adequacy of the

proposed Settlement, the scope of the release, the payment of Class Counsel's attorneys' fees and litigation expenses, the Enhancement Payment to the named plaintiff, and any other aspect of the Settlement.

If you intend to object to the Settlement but also wish to receive your share of the Settlement if it is approved by the Court, you must also submit a timely and valid Claim Form as explained above. If you object but do not submit a timely and valid Claim Form, you will still be bound by the terms of the Settlement and the release of claims set forth in Section IV below.

- 3. If You Do Nothing.** If you do nothing, you will not receive any payment under the Settlement. However, you will still be bound by the terms of the Settlement, including the release of certain claims, as set forth in Section IV below.

#### **IV. RELEASE OF CLAIMS**

**IF YOU MAKE A CLAIM, OR IF YOU DO NOTHING, YOU WILL RELEASE KNOWN AND UNKNOWN CLAIMS AGAINST CEDAR FINANCIAL AND ITS RELATED PERSONS (Related Persons are referred to herein as the "Released Persons") AS EXPLAINED IN THIS SECTION.**

"Related Persons" means Defendant's past or present directors, officers, employees, partnerships and partners, principals, agents, owners, controlling shareholders, any entity in which Defendant has a controlling interest, Defendant's attorneys, accountants, auditors, advisors, vendors, suppliers, contractors, experts, consultants, insurers, co-insurers and reinsurers, predecessors, successors, parents, subsidiaries, divisions, assigns, joint ventures and joint venturers, related or affiliated entities, individuals or entities and all others acting by, through, under or in concert with Defendant and each such entity's directors, officers, employees, partnerships and partners, principals, agents, owners, controlling shareholders, members, vendors, suppliers, contractors, experts, consultants, insurers, co-insurers and reinsurers, predecessors, and affiliated entities.

The "Released Claims" include any and all claims, actions, demands, rights, liabilities, suits, causes of action, claims for damages (including, without limitation, actual, statutory, consequential, special, general or other damages), claims for penalties or fines, claims for injunctive relief, and claims for equitable relief, of every nature, kind, and description whatsoever, including Unknown Claims that were asserted or that could or might have been asserted the operative pleading by or on behalf of the Class Representative or Settlement Class or by or on behalf of any of the other Settlement Class Members against Defendant or its Related Persons, based upon, arising from, or related to the facts, claims, or causes of action alleged in such pleadings relating to the recording or monitoring of any telephone call by the Defendant or its Related Persons.

#### **V. CLASS COUNSEL RECOMMEND THE SETTLEMENT**

Class Counsel believe that it is in the best interest of the Class Members that the Lawsuit be settled on the terms and conditions set forth in this Agreement. Class Counsel reached that conclusion after conducting substantial discovery, evaluating the factual and legal issues in the Lawsuit, the benefits that the Class Members will receive as a result of the Lawsuit and Settlement, the risks and uncertainties of continued litigation, the expense that would be necessary to prosecute the Lawsuit through trial and through any appeals that might be taken, and the likelihood of success at trial. The parties reached this settlement after participating in three separate mediations.

## **VI. FINAL APPROVAL HEARING**

The Court will hold a hearing on August 26, 2019 at 9:00 a.m. to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. At that hearing, the Court will also rule on Class Counsel's motion for attorneys' fees, litigation expenses, and Class Representative's enhancement award. The Court is located at 312 North Spring Street, Los Angeles, CA 90012, Department 6. The hearing may be continued without further notice to the Class. YOU ARE NOT REQUIRED TO ATTEND THE HEARING, BUT MAY DO SO IF YOU CHOOSE.

## **VII. EXAMINATION OF PAPERS AND INQUIRIES**

This Notice contains only a summary of the Lawsuit and the terms of the proposed Settlement. You may view the Settlement Agreement and other documents and pleadings at the Los Angeles Superior Court, 111 North Hill Street, Los Angeles, CA 90012.

If you have additional questions about the Settlement, you may contact Class Counsel at the address and telephone numbers listed below. PLEASE DO NOT TELEPHONE THE COURT OR DEFENSE COUNSEL ABOUT THIS NOTICE.

## **VIII. MAILING ADDRESS FOR ALL FORMS & CONTACT INFORMATION FOR CLASS COUNSEL AND SETTLEMENT ADMINISTRATOR**

Please use the following address for submitting a Claim Form or Exclusion Form:

Cedar Financial Class Action  
c/o ILYM Group, Inc.  
P.O. Box 2031  
Tustin, CA 92781

You may contact Class Counsel at the following addresses:

Kenneth A. Goldman  
*ken@kengoldmanlaw.com*  
LAW OFFICE OF KENNETH A. GOLDMAN, PC  
15303 Ventura Boulevard, Suite 1650  
Sherman Oaks, CA 91403  
(818) 287-7689

James T. Ryan  
*jr@jamestryan.com*  
JAMES T. RYAN, PC  
1110 Glenville Drive #307  
Los Angeles, California 90035  
(310) 990-2889

Date: May 24, 2019

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Judge of the Superior Court