

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

If you worked as a Server for Sprig, in the State of California at any time during the period of September 1, 2013 through December 31, 2015 you could receive a payment from a proposed class action settlement.

This Notice was authorized by the Court. This is not a solicitation from a lawyer.

You are not being sued. Read this Notice carefully. Your legal rights are affected whether you act or not.

- A settlement has been reached between former Sprig Servers, Plaintiffs Miwanda Barnes and Allison Camille, individually and on behalf of a Class of Sprig Servers, and Defendant Sprig, Inc. (“Sprig”).
- The settlement resolves a class action lawsuit alleging Sprig misclassified Servers as independent contractors instead of employees, and, as a result, failed to pay all minimum and overtime wages, reimburse business expenses, provide required information in wage statements, provide meal and rest periods, remit gratuities, and pay all wages owed at time of discharge. Sprig denies all the claims and contentions alleged in the lawsuit and Sprig maintains it has fully complied with the law.
- The parties have reached a settlement to avoid the costs and risks of litigation. The settlement provides cash payments to Participating Settlement Class Members based on Sprig’s records of the number of shifts worked for Sprig as a Server in California during the Class Period as described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
AUTOMATIC INCLUSION/DO NOTHING	If you worked as a Server for Sprig between <u>September 1, 2013 and December 31, 2015</u> , you do not need to do anything to participate in the Settlement. If you do nothing, you will receive a payment automatically if the Court approves the proposed Settlement. You will also give up the right to bring or participate in any similar action that may be filed against Sprig.
REQUEST EXCLUSION	If you wish to be excluded from the settlement, you must submit a written Request for Exclusion according to the instructions contained in this Notice. If you submit a Request for Exclusion, you will not be bound by the Settlement and you will not receive cash payment.
OBJECT	You may also object and tell the Court why you don’t like the settlement. If the Court approves the settlement despite your objection, you will still be bound by the settlement.

- **Your options are more fully explained in this notice below. The deadline to submit an objection or request exclusion is December 12, 2016.**

1. Why did I receive this notice?

The Plaintiffs and Sprig have entered into a Joint Stipulation and Class Action Settlement Agreement (“Settlement Agreement”) that will, if finally approved by the Court, fully resolve this case. The Settlement Agreement sets forth the details of the settlement. Details on how to get additional information, including a copy of the Agreement, are provided at the end of this Notice. The proposed Settlement Agreement has been submitted to the Court, and it has been preliminarily approved for settlement purposes only. The Court also appointed the law firms of Goldstein Borgen Dardarian & Ho and Browne Labor Law as Class Counsel to represent you and the Settlement Class.

Sprig’s records show that you are a Member of the Settlement Class, which is defined as follows:

All persons who worked for Sprig as a Server in California at any time between September 1, 2013 and December 31, 2015.

As a Class Member, you may be entitled to share in the funds to be made available for settlement of this class action. You are not being sued and you will not be individually responsible for any of the attorneys’ fees or costs of the litigation as the settlement requires those amounts to be paid from the Total Settlement Sum paid by Sprig. However, your rights will be affected by the Settlement Agreement described in this Notice whether you act or not. This Notice explains the lawsuit, the settlement and your legal rights.

2. What is the case about?

On September 25, 2015, a class and representative action was filed in Superior Court of California, County of San Francisco, alleging Sprig violated the California Labor Code and engaged in unfair business practices in violation of Business & Professions Code §§ 17200 *et seq.* The Plaintiffs, Miwanda Barnes and Allison Camille allege that Sprig misclassified Servers as independent contractors instead of employees, and, as a result, failed to pay all minimum and overtime wages, reimburse business expenses (i.e., mileage, cellular phone use, payment to Sprig for supplies), provide required information in wage statements, provide meal and rest periods, remit gratuities, and pay all wages owed at time of discharge. Sprig denies all the claims and contentions alleged in the lawsuit and Sprig maintains it has fully complied with the law. The Court has not ruled on whether Sprig violated the law as Plaintiffs allege, but Plaintiffs and Sprig have agreed on the settlement terms described below.

3. What are the settlement terms and how much can I expect to receive if I participate?

a. Overall summary of settlement terms

Sprig will pay one million fifty thousand dollars (\$1,050,000) to settle this case (the “Total Settlement Sum”). From the Total Settlement Sum, payments will be made to the Settlement Administrator for administration costs, to the Named Plaintiffs for their representation of the Class, to the Named Plaintiffs for their individual claims under the Investigative Consumer Reporting Agencies Act (“ICRAA”), to the California Labor & Workforce Development Agency (“LWDA”) for Private Attorney General Act (“PAGA”) penalties, and to Class Counsel for attorneys’ fees and costs. The amounts of these various payments are described in this Notice below. After deduction of these amounts, the remainder – the “Net Settlement Fund” – of approximately \$604,025, will be distributed to Participating Settlement Class members. Assuming 100% participation, the average total amount that each Participating Settlement Class Member will receive is estimated to be \$283.44.

Sprig will pay the Total Settlement Sum in two payments if the Court grants final approval of the Settlement. Sprig’s first payment of \$580,000 (“Sprig’s First Payment”) will be distributed shortly after

the court's final approval of the settlement, and Sprig's second payment of \$470,000 will be made within twelve months of final approval and then distributed within fifteen (15) days thereafter to the participating settlement class members.

Sprig's First Payment will cover payments for pro-rata administration costs, a share of the Service Awards for the Named Plaintiffs, full payment for the Named Plaintiffs individual ICRAA claims, pro-rata PAGA penalties for the LWDA, full payment of litigation costs and expenses to Class Counsel up to ten thousand dollars (\$10,000), and pro-rata attorneys' fees of Class Counsel. After these payments, the remainder – "Sprig's Net First Payment" – pro-rata shares will be paid to Participating Class Members based on the formula discussed in Section 3(c).

Sprig's Second Payment will cover payments for the rest of administration costs, Named Plaintiffs' service awards, PAGA penalties for the LWDA, and Class Counsel's attorneys' fees. The remainder – "Sprig's Net Second Payment" – pro-rata shares will be paid to Participating Class Members based on the same formula.

b. Who will receive settlement payments?

All Sprig Servers who have a shift worked between September 1, 2013 and December 31, 2015 will automatically receive a settlement payment unless he or she submits a valid and timely Request for Exclusion.

c. How much can I expect to receive?

The enclosed Estimated Payment Form ("Share Form") lists the amount you can expect to receive if you participate in the settlement. This sum is based on Sprig's records of the number of shifts you worked as a Server during the Class Period. Class Members who worked between September 1, 2013 and August 14, 2014 will have a 75% discount applied to their shifts because Sprig classified those Servers as employees during that time. Each Participating Settlement Class Member will receive a minimum payment of at least \$10. You have a right to challenge the number of shifts worked by following the instructions on the Share Form. All challenges, with supporting documentation, must be submitted by November 28, 2016. The Settlement Administrator will resolve all challenges and its decision will be final and binding.

The estimated payment amount may be reduced or increased, however, based upon the information contained in the Share Form, decisions of the Settlement Administrator about challenges, the number of Participating Settlement Class Members, the number of Requests for Exclusion submitted, whether additional class members are identified or come forward, and the terms of the Court's final approval order.

(1) Applicable Tax Withholding and Responsibility for Taxes

Settlement Awards to Participating Settlement Class Members are allocated for tax purposes as follows: (1) 20% of each award will be considered wages; and (2) 80% of each award will be considered as penalties, interest, and reimbursement for business expenses. In accordance with applicable tax laws, required tax withholdings will be taken out of from each Participating Settlement Class Members' payment and sent to the appropriate taxing authorities. You should seek tax advice as to any amounts you receive pursuant to the Settlement from your own tax advisor as the Parties cannot provide tax advice.

(2) Uncashed Checks

The Net Settlement Fund shall be distributed to all Participating Settlement Class Members. All settlement checks that are not cashed or deposited within ninety (90) days of issuance will be void. Any remaining balance from the Net Settlement Fund after the void date will be donated to worthy non-profit organizations proposed by the Parties and approved by the Court. No unclaimed funds or unclaimed check amounts will be returned to Sprig.

d. Service Awards and Individual ICRAA Settlements to the Named Plaintiffs

The Court has also preliminarily approved a Service Award payment of \$5,000 to each Named Plaintiff. The service awards will be paid from the Total Settlement Sum. This service award seeks to compensate the Named Plaintiffs for the risk incurred and time and efforts in assisting with the prosecution of this lawsuit on behalf of the Class Members and for executing a General Release that releases more claims than the release for all other Class Members. The Court has also preliminarily approved the payment of \$1,000 to each Named Plaintiff from the Settlement Fund for their individual ICRAA claims and in exchange for their individual release of all known and unknown ICRAA claims against all Released Parties.

e. Attorneys' fees and costs for the Class Counsel

You do not need to pay individually any portion of Class Counsel's attorneys' fees and costs. All payments for those attorneys' fees and costs will be deducted from the Total Settlement Sum, and attorneys' fees will be paid as a pro-rata share from each of Sprig's two payments to the Settlement Fund. This will reduce any payment made to you should you choose to remain a Participating Settlement Class Member. Class Counsel will apply to the Court for final approval of their attorneys' fees and costs. The attorneys for the Class will ask for reimbursement of their costs of up to \$10,000 actually incurred in litigating this case and for fees of up to one third of the Settlement Amount (*i.e.*, up to one third of \$1,050,000). The actual amount awarded will be determined by the Court to ensure that the amount of attorneys' fees and costs is reasonable, and will be paid from the Total Settlement Sum provided by Sprig.

f. Settlement Administration Costs

The Total Settlement Fund will also cover costs incurred by the Settlement Administrator in connection with administering this Settlement. These costs will not exceed \$25,000, but, if the Settlement Administrator must issue the second of the two payments to Class Members in 2018, the costs will not exceed \$31,750. The name and contact information of the Settlement Administrator's is provided below.

g. PAGA payments to LWDA

The parties have allocated 10% of the amount remaining from the Settlement Fund (after deducting Service Awards, ICRAA Settlements, Attorneys' fees and costs, and settlement administration) to the LWDA for PAGA penalties. The California Labor Code requires that 75% of any amounts paid pursuant to PAGA be provided to the LWDA. Each Participating Class Member will receive a pro-rata share of the remaining 25% Of the PAGA Allocation.

h. All Payments Subject to Court Approval

All of the payments listed above will be made if and only if the Court grants final approval of the Settlement Agreement based on its finding that the settlement is reasonable, fair, and adequate for the Class. The amounts of those payments may be adjusted by the Court.

4. What Are My Options?

You may participate by doing nothing, exclude yourself from the settlement or object to it.

a. What do I have to do in order to receive a settlement payment?

If you do nothing, you will automatically receive your settlement award in two payments. By participating in this settlement, you also agree to be bound its terms and to release your claims raised by this lawsuit against Sprig.

b. Can I request to be excluded from the Settlement?

You, or any Class Member, can, if you wish, exclude yourself from the Settlement. If you do, you will not receive a Settlement Award and will not be subject to the terms of the Settlement Agreement. To exclude yourself, you must mail a written statement containing (1) your name and address, (2) the last four digits of your Social Security number, (3) state your desire to be excluded from the Settlement Class, and (4) address it to the Settlement Administrator, whose name and address is listed below. The request must be postmarked by December 12, 2016. You may also rescind your request to be excluded from the settlement up to three days prior to **December 20, 2016**. The rescission of your request must be submitted in a written statement to the Settlement Administrator.

You cannot both exclude yourself and obtain a Settlement Award, and you cannot both exclude yourself and object to the settlement. If you exclude yourself, you will not receive a Settlement Award. If you submit a Request for Exclusion and submit an objection to the settlement, your objection will not be considered.

c. Can I object to the settlement?

If you are satisfied with the proposed settlement, you do not need to express your views or appear at the hearing at which the Court will consider final approval of the settlement. However, if you wish to object to the proposed settlement you must take the steps below. If you do not timely object, you may waive your right to object or to appear at the hearing at which the Court will consider whether to grant final approval. To object, you must mail a written statement containing (1) your name and address, (2) the last four digits of your Social Security number, (3) the basis for your objection, and (4) address it to the Settlement Administrator. The written statement must be postmarked by December 12, 2016.

You have the right to address the Court at the hearing scheduled for December 20, 2016 at 9:30 a.m. in Department 302 of San Francisco County Superior Court, 400 McAllister Street, San Francisco, CA 94102. You may appear at the final approval hearing personally, or through your own counsel, paid for at your own expense.

5. What Will I Give Up if I Participate in the Settlement?

The settlement relates to the time that you worked as a Server for Sprig during the Class Period, and to any and all claims related to Sprig's alleged failure to pay minimum wages, pay overtime wages, reimburse business expenses, provide meal periods, provide rest periods, remit gratuities, provide accurate and itemized wage statements, and pay all wages owed at discharge. If the proposed Settlement is approved, all Class Members who have not requested exclusion will be considered to have released Sprig and all other Released Parties (Sprig's parent companies, subsidiaries, affiliates, shareholders, members, agents, including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), predecessors, successors, and

assigns. As a result, Settlement Class Members will be permanently barred from suing or otherwise making a claim against any of the Released Parties regarding the Released Claims. The exact language of the Release, including the legal definition of Released Claims and Released Parties, is included in the Settlement Agreement.

By deciding to receive your Settlement Award, Class Members who do not exclude themselves from the settlement will be considered to have accepted the release and to have waived any of the Released Claims against the Released Parties.

6. Will I be subject to discipline based on whether I participate in the settlement?

No. California law protects individuals and employees from retaliation based on their decision to participate or not participate in a class action settlement. Your decision to participate, not participate, or object in this Settlement will not impact your employment with Sprig or Sprig's treatment of you as a former employee. **Sprig is prohibited by law from retaliating in any way based on your decision to participate or not participate in the settlement.**

7. Where can I get additional information?

This Notice only summarizes this lawsuit, the settlement, and related matters. For more information, you may find and review the Settlement Agreement and this Notice which are posted on the websites of the Class Counsel firm Goldstein, Borgen Dardarian & Ho, [www.gbdhlegal.com], and Browne Labor Law, [www.brownelaborlaw.com]. If you have questions about the settlement, you may also contact Class Counsel as follows:

GOLDSTEIN, BORGEN DARDARIAN & HO

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BROWNE LABOR LAW

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475 Washington Blvd.
Marina del Rey, CA 90292
Telephone: (310) 421-4810

You may also contact the Settlement Administrator at:

Barnes v. Sprig Settlement Administrator
Post Office Box 709
Tallahassee, FL 32302-0709
staff@settlementservicesinc.com

The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online at the San Francisco Superior Court's online services website, at <http://www.sfsuperiorcourt.org/online-services>. After arriving at the website, click the "Search by Case Number" link, then enter 548154 as the case number, click "Submit," and then click on CGC-15-548154. Images of every document filed in the case may be viewed at no charge.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS!