

Cozzitorto et al. v. AAA NCNU et al.
c/o GCG
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Dublin, OH 43017-9376

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NOTICE OF SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING

Nathan Cozzitorto et al. v. American Automobile Association of Northern California Nevada and Utah et al.

Case No. MSC 13-02656
Superior Court of California, County of Contra Costa

To: All Contract Stations in the State of California which contracted with American Automobile Association of Northern California, Nevada & Utah (“AAA NCNU”) to provide emergency road service from January 1, 2011 up to and through November 20, 2017 which: a) have not settled or released their claims in the above-referenced class action lawsuit; b) have not opted-out of the above-referenced class action lawsuit; and c) have not been otherwise excluded from participating in the above-referenced class action lawsuit by the Court (the “Class”).

THIS NOTICE is of a proposed settlement of a class action lawsuit, and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this action. The Court will conduct a hearing on May 9, 2019 at 9:00 a.m. to address whether the proposed settlement should be approved (“Final Approval Hearing”). You may be entitled to receive a payment under the terms of this class action settlement contained in the Settlement Agreement. Participating in the settlement and receiving a payment may have tax implications, and you will be responsible for compliance with any tax obligations related to such a payment, so you should consider consulting a tax professional or attorney before making any decisions discussed below.

You have been identified as a Class member in the above lawsuit. Under the terms of the proposed settlement, you may be eligible to receive a share of the Net Settlement Amount should the Court grant final approval of the settlement. Your share of the Net Settlement Amount will be based on the number of 1T and On the Go/Tow to Go events serviced by you (if any) between January 1, 2011 and November 20, 2017. According to AAA NCNU’s records, you serviced <<NUMBER>> 1T and On the Go/Tow to Go events between January 1, 2011 and November 20, 2017. Your eligibility requirements for receiving payments are described below.



**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT
(SEE SECTION VIII FOR MORE DETAILS)**

DO NOTHING	Receive a settlement payment and give up your right to sue on the Released Claims described in Section IV. This settlement does not require a claims process to receive a payment. Therefore, there is no claim form for you to complete should you wish to receive payment.
OBJECT	Write to the Court and the Settlement Administrator about why you do not like the Settlement by February 20, 2019 .
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.

I. Why should I read this Notice?

The parties have proposed to settle this class action lawsuit. You are a member of the Class. If the Court grants final approval of the proposed Settlement, your legal rights may be affected. This Notice, which has been approved by the Court, is only a summary. A more detailed Settlement Agreement contains the complete terms of the Settlement, and is on file with the Court, where it is available for your review. See Section X for further information.

II. What is this lawsuit about?

A lawsuit entitled *Nathan Cozzitorto, et al. v. American Automobile Association of Northern California, Nevada & Utah* is now pending in the Superior Court of the State of California, County of Contra Costa, Case No. MSC 13-02656. Plaintiff Cozz's Auto Body & Service Inc. ("Plaintiff") has alleged claims against AAA NCNU on behalf of itself and other California contract stations which contracted with AAA NCNU to perform emergency road service. Plaintiff brought this Lawsuit as a class action and is claiming that AAA NCNU has breached the Contract Station Emergency Road Service Agreement by failing to pay completely and properly for various types of service calls (1T, and On-the-Go). Plaintiff seeks a monetary recovery on behalf of the Class for the alleged breaches of contract, along with interest, costs and fees.

In addition, Plaintiffs Nathan Cozzitorto, Rena Cozzitorto and Michael Cozzitorto, Sr. ("Individual Plaintiffs"), allege that AAA NCNU misclassified contract station owners and employees as independent contractors instead of employees of AAA NCNU. Individual Plaintiffs allege that due to this purported misclassification, contract station owners employees are entitled to the value of employment benefits offered to AAA NCNU employees. The claims asserted by Individual Plaintiffs in the Lawsuit are independent of the breach of contract claim asserted by Plaintiff Cozz's Auto Body & Service Inc.

AAA NCNU denies the allegations Plaintiff, and Individual Plaintiffs, are asserting in this Lawsuit. The Court has not formed any opinions concerning the merits of the remaining claims in the Lawsuit, and the Court has not ruled for or against Plaintiff or Individual Plaintiffs as to the merits of any of their remaining individual or class claims. The Court has determined only that there is sufficient evidence that the proposed settlement might be fair, adequate and reasonable and that any final determination of those issues will be made at the Final Approval Hearing. You will not be retaliated against by AAA NCNU for participating in the Settlement.

III. Who is covered by the class action lawsuit and the proposed Settlement?

A. The Class. On **December 14, 2018**, the Court granted preliminary approval of the Settlement and authorized this Notice. The Court defined the "Class" as all Contract Stations in the State of California which contracted with AAA NCNU to provide emergency road service from January 1, 2011 up to and through November 20, 2017 which: a) have not settled or released their claims in the above-referenced class action lawsuit; b) have not opted-out of the above-referenced class action lawsuit; and c) have not been otherwise excluded from participating in the above-referenced class action lawsuit by the Court.

B. The Effect of Membership in the Class. If you come within the definition of the Class, you are a Settlement Class Member. Settlement Class Members are eligible to receive the benefits created by the proposed Settlement, including a settlement payment based on their pro-rata share of the Net Settlement Amount, and will be bound by the Settlement if it is approved by the Court.



IV. What are the terms of the Settlement?

Monetary Amounts Under the Settlement

The proposed Settlement was negotiated with AAA NCNU by the attorneys for the Class (“Class Counsel”). Class Counsel believes that this Settlement is in the best interest of the members of the Settlement Class. As part of the proposed Settlement, Defendant and Class Counsel have agreed to the following:

- AAA NCNU shall provide the members of the Settlement Class, on a non-claims-made basis, monetary compensation in the maximum total amount of One Million Three Hundred Thousand Dollars Exactly (\$1,300,000.00) (the “Gross Settlement Amount” or “GSA”), less amounts awarded by the Court for attorneys’ fees and costs, administrative expenses and service payment to the Class Representative (the “Net Settlement Amount” or “NSA”).
- The Settlement Administrator will calculate individual Settlement Class Members’ pro-rata share of the NSA for their individual settlement payment. Each Settlement Class Member’s share of the NSA will be based on the number of 1T and On the Go/Tow to Go events serviced by it. According to AAA NCNU’s records, you serviced [NUMBER] 1T and On the Go/Tow to Go events between January 1, 2011 and November 20, 2017. If you disagree with this number, you must submit the information that you believe is correct, explain the basis for such belief, and submit written documentation to support your claim to the Settlement Administrator, Garden City Group, by **February 20, 2019**. Garden City Group’s email address is info@AAANCNUClassAction.com, and its address is **Cozzitorto v. AAA c/o GCG, P.O. Box 10676, Dublin, OH 43017-9376**.

Failure to submit written documentation to support such dispute will mean that stated number of 1T and On the Go/Tow to Go events serviced between January 1, 2011 and November 20, 2017 will be controlling.

- AAA NCNU, through the Settlement Administrator, shall pay the amounts awarded by the Court for attorneys’ fees and costs, administrative expenses, enhancements, and the settlement payments to the Settlement Class Members, within thirty days after the Final Effective Date of the Settlement. The Final Effective Date is defined as follows: the first day after the date by which the last of the following has occurred: 1) all conditions of the Settlement that can be accomplished prior to the Final Effective Date become in existence; 2) the Court, or other court assuming jurisdiction of this matter, has entered the Final Approval Order and Judgment; and 3) the Court’s Judgment approving the Settlement becomes Final. “Final” shall mean the latest of: a) if there is an appeal of the Court’s judgment, the date the Judgment is affirmed on appeal, the date of dismissal or denial of such appeal, or the expiration of the time to file a petition for writ of certiorari; or b) if a petition for a writ of certiorari is filed, the date of dismissal or denial of the petition for writ of certiorari; or c) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment.

Fees and Expenses

Contemporaneous with requesting the Court grant final approval of the proposed Settlement, Class Counsel will apply to the Court for an award of attorneys’ fees in an amount up to Seven Hundred Fifty Thousand Dollars (\$750,000) (17% of the total Gross Settlement Amount that will be paid to the Class, and, a separate class comprised of contract station owners and employees who are also agreeing to settle their claims in this lawsuit) and an award of costs up to Five Hundred Thirty Thousand Dollars (\$530,000); costs of settlement administration, and Plaintiff Cozz’s Auto Body & Service Inc. shall apply to the Court for an incentive award of Seven Thousand Five Hundred Dollars (\$7,500). Such payments, if approved by the Court, will be deducted from the Gross Settlement Amount before calculation of the Net Settlement Amount available for distribution to the Class.

Release

Upon the Court’s final approval of the Settlement, a judgment will be entered fully and finally setting the action as to Plaintiff and all Settlement Class Members.

- As a result of the Settlement and Judgment to be entered, all Settlement Class Members will release and discharge, for the time period from January 1, 2011 through December 14, 2018, AAA NCNU and its officers, directors, employees, agents, parents, subsidiaries, affiliates, predecessors, successors, insurers, assigns, third-party consultants, attorneys, shareholders, pension, profit sharing, savings, health and other employee benefit plans, and their respective trustees, administrators and fiduciaries (collectively, the “Releasees”) from any and all claims, rights, demands, liabilities and



causes of action of every nature and description, whether known or unknown, that were or could have been brought based on the facts or claims alleged in any version of the Complaints filed in the Action on behalf of Settlement Class Members. The claims released by Settlement Class Members include, but are not limited to, statutory, constitutional, contractual or common law claims for damages, unpaid costs or expenses, interest, liquidated damages, attorneys' fees, litigation costs, restitution or equitable relief, arising out of or based upon the following categories of allegations regardless of the forum in which they may be brought, to the fullest extent such claims are releasable by law: a) all claims for breach of contract based on the facts or claims alleged in the Complaint in the Action; and b) all claims for violation of California Business and Professions Code section 17200 *et seq.* based on the facts or claims alleged in the Complaint in the Action ("Released Claims"). As to the foregoing release of the Released Claims only, the release includes a waiver of unknown claims in accordance with the provisions of California Civil Code section 1542, 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."

V. How do I receive a payment?

Any Class Member who wishes to be considered for any payment under this Settlement does not need to do anything. If you are a member of the Class and you move or change your address, and you want to receive your settlement benefits at your new address, you must send a notice of your change of address to **Cozzitorto v. AAA c/o GCG, P.O. Box 10676, Dublin, OH 43017-9376** or contact the Settlement Administrator via email at info@AAANCNUClassAction.com.

VI. Who represents the Class?

The Court has designated Plaintiff Cozz's Auto Body & Service Inc. to serve as Class Representative in this lawsuit. The attorneys and law firms that serve as Class Counsel are: Niall McCarthy, Eric Buescher, and Stephanie Biehl of Cotchett, Pitre & McCarthy LLP, 840 Malcolm Road, Suite 200, Burlingame, CA 94010, (650) 697-6000; and Matthew Edling and Victor Sher of Sher Edling LLP, 100 Montgomery Street, Suite 140, San Francisco, CA 94104, (628) 231-2520.

VII. What are the reasons for the Settlement?

Class Counsel agreed to enter into this proposed Settlement after weighing the risks and benefits to the Class of this Settlement compared with those of continuing the litigation. The factors that Class Counsel considered included the uncertainty and delay associated with continued litigation, a trial and appeals, and the uncertainty of particular legal issues that have yet to be determined. Class Counsel balanced these and other substantial risks in determining that the proposed Settlement is fair, reasonable, and adequate in light of all circumstances and in the best interests of Class Members.

AAA NCNU agreed to this proposed Settlement in order to avoid the expense and distraction associated with lengthy litigation, and to allow it to focus on continuing to provide quality service to its members. AAA NCNU also considered the uncertainty and risks associated with continued litigation, a trial and appeals, and the uncertainty of particular legal issues that have yet to be determined.

VIII. What are my rights and options?

A. First, you may remain a member of the Settlement Class, represented by Class Counsel, and take no further action. If you take no further action as a Settlement Class Member, you will be represented by Class Counsel and will have the right to receive your share of the Settlement proceeds. If the Settlement is approved by the Court, you will be bound by the terms of the Settlement which will result in a release of your claims. As a member of the Class, you will not be charged for the services of Class Counsel.

B. Second, you may remain a member of the Settlement Class but elect to hire your own attorney to represent you. If you do not wish to be represented by Class Counsel, you may hire your own attorney. Your attorney must send a Notice of Appearance to **Cozzitorto v. AAA c/o GCG, P.O. Box 10676, Dublin, OH 43017-9376**, so that it is received on or before **April 25, 2019**. Your attorney must also file the Notice of Appearance with the Court on or before **April 25, 2019**. Even though your own attorney represents you, you will continue to be a Settlement Class Member. You will be responsible for any attorneys' fees and costs charged by your attorney.



C. Third, you may remain a member of the Settlement Class but object to the number of 1T and On the Go/Tow to Go events stated in this notice. If you disagree with the number of 1T and On the Go/Tow to Go events stated in this notice, you must submit the information that you believe is correct, explain the basis for such belief, and submit written documentation to support your claim to **Cozzitorto v. AAA c/o GCG, P.O. Box 10676, Dublin, OH 43017-9376** or info@AAANCNUClassAction.com by February 20, 2019. Failure to submit written documentation to support such dispute will mean that stated number of 1T and On the Go/Tow to Go events serviced between January 1, 2011 and November 20, 2017 will be controlling. The Settlement Administrator's determination of the number of 1T and On the Go/Tow to Go events serviced between January 1, 2011 and November 20, 2017 following a review of any dispute will be final.

D. Fourth, you may remain a member of the Settlement Class, and on your own behalf, or through your own attorney, object to the Settlement, to the Attorneys' Fees and Costs, and/or to the Incentive Award. To do so, you or your own attorney must file a written objection, which must contain: (1) the name and case number of this lawsuit *Nathan Cozzitorto, et al. v. American Automobile Association of Northern California, Nevada & Utah*, Superior Court of the State of California, County of Contra Costa, Case No. MSC 13-02656; (2) your full name and current address; (3) the specific reason(s) for your objection; and (4) any and all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) that you would like the Court to consider. If you wish to appear at the Final Approval Hearing and be heard orally in support of, or in opposition to the Settlement, you must state so in the objection sent to the **Cozzitorto v. AAA c/o GCG, P.O. Box 10676, Dublin, OH 43017-9376** and filed with the Court, on or before February 20, 2019. If you do not comply with these procedures and the deadline for objections, you may lose any opportunity to have your objection considered at the Final Approval Hearing or otherwise to contest the approval of the Settlement or to appeal from any orders or judgments entered by the Court in connection with the Proposed Settlement. You are still eligible to receive a settlement payment should the Settlement become Final even if you object to the Settlement.

IX. When is the court hearing and what is it for?

On **May 9, 2019 at 9:00 a.m.**, the Court will hold a public hearing in Department 39 of the Superior Court for the State of California, County of Contra Costa, 725 Court Street, Martinez, CA 94553, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, and whether to approve the Class Representative's request for a service award. This hearing may be continued or rescheduled by the Court without further notice. Settlement Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Settlement Class Members who object to the proposed Settlement are not required to attend the Settlement Hearing. If you want to be heard orally in support of or in opposition to the Settlement, either personally or through counsel, you must indicate your intention to appear at the Settlement Hearing in writing as detailed above.

X. Where can I get more information?

If you have questions about this Notice or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Settlement Administrator at info@AAANCNUClassAction.com or **Cozzitorto v. AAA c/o GCG, P.O. Box 10676, Dublin, OH 43017-9376** for more information or to request that a copy of this Notice be sent to you in the mail. You may also view the webpage maintained by the Settlement Administrator for this Settlement at the following web address: www.AAANCNUClassAction.com. If you wish to communicate directly with Class Counsel, you may contact them at the address above. You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and available to be inspected at any time during regular business hours at the Clerk's Office, of the Superior Court for the State of California, County of Contra Costa, 725 Court Street, Martinez, CA 94553. You may also review the pleadings, records and other papers on file in this lawsuit at the Clerk's Office.

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR AAA NCNU FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.