

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES**

**WILLIAM SEKLY, et al.,
Plaintiffs,
v.**

**ALLSTATE INSURANCE COMPANY,
Defendant.**

Case Number: BC 240813

**NOTICE OF CLASS
ACTION SETTLEMENT**

TO: All persons who, between November 27, 1996 and December 31, 2004, have been employed in California as claims adjusters by the defendant Allstate Insurance Company. As used in the class definition, the term "claims adjuster" refers to any individual whose assigned duties as an employee of the defendant included or currently include, but were not limited to, the adjustment and/or investigation and/or analysis and/or evaluation of the monetary worth of any claim made to Allstate for any bodily injury, property damage, and/or monetary damage of every nature and type and who have been or currently are paid as exempt employees as the same are defined pursuant to statute and/or California or federal regulatory determination.

On September 13, 2005, the Court granted preliminary approval of the proposed settlement in this Action. If the settlement is granted final approval, the Action will be dismissed and Allstate will be released of all claims related to this case. This Notice is to advise you of the proposed settlement, your rights to object to the terms of the proposed settlement, and how to obtain more information about the settlement.

PLEASE READ THIS ENTIRE NOTICE CAREFULLY.

YOUR RIGHTS MAY BE AFFECTED BY THE PROPOSED SETTLEMENT DESCRIBED BELOW.

I. SUMMARY OF THE LITIGATION

On November 27, 2000, a lawsuit was filed against Allstate Insurance Company (and related entities) on behalf of former and current claims adjusters of those companies who have worked in California in connection with the adjusting of property damage and/or bodily injury claims. The case seeks recovery of overtime pay and penalties which plaintiffs contend are owed to all present and former claims adjusters who adjusted claims in California from November 27, 1996 to December 31, 2004. The matter has been litigated before the Hon. Anthony J. Mohr, Judge of the Superior Court of the State of California for the County of Los Angeles (hereafter, the "Court").

On August 23, 2002, the Court certified this matter as a class action over the objection of Allstate. Class notice was sent to all potential class members at their last known address (as provided by Allstate) via first class U.S. Mail. Thereafter, on April 21, 2004, the Court entered its order granting the plaintiff class' motion for summary adjudication of liability and determining that the members of the plaintiff class were and are non-exempt employees entitled to overtime compensation. That decision of the Court could have been the subject of an appeal if the matter was litigated through trial. On January 19, 2005, again over the objection of Allstate, the Court further certified this matter as a class action for the determination of damages.

During the course of this litigation, attorneys for the plaintiff class and attorneys for the defendant have engaged in mediation with an experienced mediator who is a former justice of the California Supreme Court. In addition, counsel for the parties have engaged in numerous discussions in an attempt to resolve this matter. The parties have reached an agreement to settle this matter, subject to the approval of the Court.

As part of the settlement process, the Court has appointed the Hon. Edward Panelli (Ret.), a retired justice of the California Supreme Court, to act as the Referee in this matter. Justice Panelli will conduct the Fairness Hearing described later in this Notice and shall report his findings to the Court. Justice Panelli will also resolve any disputes involving the settlement process, with certain of his recommendations being presented to the Court for approval and other determinations being final, binding and non-appealable.

II. CLASS DEFINITION

A. Settlement Class Defined

The certified settling class (“Class”) is defined as follows (members of the Class are sometimes referred to in this Notice as “Class Members”):

The Class is comprised of all persons who, between November 27, 1996 and December 31, 2004 were employed in California as claims adjusters by Allstate. As used in the Class definition, the term “claims adjuster” refers to any individual whose assigned duties as an employee of Allstate included, but were not limited to, the adjustment and/or investigation and/or analysis and/or evaluation of the monetary worth of any claim made to Allstate for any bodily injury, property damage, and/or monetary damage of every nature and type and who have been or currently are paid as exempt employees as the same are defined pursuant to statute and/or California or federal regulatory determination.

As of the date of the settlement, Allstate has represented that the job titles which comprise the Class Members who work at Allstate claims offices in California are as follows:

Claim Representative	Claim Adjuster	Claim Service Adjuster
Senior Claim Representative	Senior Claim Adjuster	Senior Claim Service Adjuster
Staff Claim Representative	Staff Claim Adjuster	Staff Claim Service Adjuster
Senior Staff Claim Representative	Staff Claim Analyst	SIU Adjuster
Subrogation Adjuster	Appraisers	Claims Specialist
Claims Consultant	Evaluation Consultant	Damage Evaluator
Quality Evaluator	Extra Contractual Liability Specialist	

Any change, modification, addition or deletion of any job titles by Allstate shall not result in a change in the persons defined as Class Members, whose entitlement to the same is based upon the duties they perform as set forth in this Notice.

Persons who performed such functions while classified, employed and compensated by Allstate as supervisors, managers or officers of said Allstate are not included in the Class during any time said persons were so employed. Persons performing work in the following job titles (as the work duties and responsibilities of said titles existed as of the date of certification) are not included in the defined Class during any period of time said position was or is held during the class period: Frontline Process Experts, Frontline Performance Leaders and supervisory personnel.

B. Information For Persons Who Previously Excluded Themselves From The Class

Persons who elected to opt out of the Class at the time notice of class certification for liability or notice of class certification for damages were served may rejoin the Class by filing a timely and complete Claim Form as set forth in section IV hereafter.

If you continue to elect not to participate in the recovery obtained through this settlement, you will be entitled to prosecute an individual lawsuit or an individual claim with the California Labor Commissioner, in accordance with California law, but you may not pursue any such claim as part of a class action. *If you fail to submit a timely Claim Form, you will remain excluded from the Class.*

C. Information For Special Investigative Unit Adjusters, Subrogation Adjusters, Evaluation Consultants, Damage Evaluators, Quality Evaluators and Extra Contractual Liability Specialists

Previously, Special Investigative Unit Adjusters, Subrogation Adjusters, Evaluation Consultants, Damage Evaluators, Quality Evaluators and Extra Contractual Liability Specialists were not included in the Class. As part of the settlement between the parties, these job classifications will now be included in the Class. If you wish, the Court will exclude you from the Class if you so request. If you wish to be excluded from the Class, you must fill out and send the enclosed Exclusion Request Form to the Claims Administrator by October 23, 2005:

Sekly v. Allstate Insurance Company
c/o Gilardi & Co. LLC
P.O. Box 8060
San Rafael, CA 94912-8060

If you timely request exclusion from the Class, you will: (1) not participate in the recovery obtained through this settlement, and (2) be entitled to prosecute an individual lawsuit, or an individual claim with the Labor

Commissioner, in accordance with California law, but you may not pursue any such claim as part of a class action.

If you do not choose to exclude yourself from the Class, you may file a Claim Form and participate with all other Class Members. You may, if you so desire, enter an appearance through counsel of your choice.

III. CLASS REPRESENTATIVES AND CLASS COUNSEL

The Court appointed plaintiffs Dani Bednar and William Sekly to represent the Class. Recently, Ms. Bednar withdrew as a representative. The Court appointed the following attorneys to represent the Class as "Class Counsel:"

Marlin & Saltzman
Louis M. Marlin
2400 E. Katella Ave., Suite 1030
Anaheim, CA 92806

R. Rex Parris Law Firm
R. Rex Parris
Robert Parris
963 W. Avenue J
Lancaster, CA 93534

Marlin & Saltzman
Stanley D. Saltzman
29229 Canwood St., Suite 208
Agoura Hills, CA 91301

Mazursky, Schwartz, Daniels & Bradley
Arnold Schwartz
Marcus Bradley
10990 Wilshire Blvd., Suite 1200
Los Angeles, CA 90024

IV. SUMMARY OF SETTLEMENT TERMS AND CLAIMS PROCESS

The following is a summary of the proposed settlement contained in the Settlement Agreement ("Settlement Agreement") that is on file with the Clerk of the Central Civil West division of the Court. The complete Agreement may be inspected during normal business hours at the offices of the Clerk or online at www.overtimelawsuit.com under the heading of "Allstate Insurance Company."

A. Monetary Award.

The proposed settlement obligates the defendant to pay a potential maximum settlement amount (called the "Potential Maximum Consideration" in the Agreement) of One Hundred Twenty Million Dollars (\$120,000,000). This payment is "all inclusive," including, but not limited to, unpaid overtime pay, pay for meal and rest break violations, any and all associated penalties, interest, employer tax contributions, costs, attorneys' fees, class administration costs, referee costs, incentive payments to the named plaintiffs, etc. These settlement proceeds will be paid to Class Members as described in Section VI later in this Notice.

B. The Claims Process.

Enclosed with this Notice you will find a Claim Form. THIS CLAIM FORM MUST BE COMPLETED, SIGNED UNDER PENALTY OF PERJURY, AND RETURNED TO THE CLAIMS ADMINISTRATOR WITHIN 75 DAYS OF THE MAILING OF THE SAME. THEREFORE, FOR YOUR CLAIM TO BE CONSIDERED TIMELY, IT MUST BE POSTMARKED NO LATER THAN DECEMBER 7, 2005. Claims postmarked after that date will be considered as late claims and may be subject to rejection. Please follow the directions on the Claim Form carefully. If you require assistance, you may contact Class counsel as identified at the end of this notice. As used herein and in the Settlement Agreement, a Class Member who submits a timely Claim Form is called a "Settlement Class Member," and a Class Member who submits a late claim that is not rejected by the Referee is called a "Late Claim Settlement Class Member."

The Claim Forms shall be maintained by an independent claims administrator ("Administrator") chosen by the Class Counsel until the claims period has been completed. At that time, the forms shall be provided to Allstate for use in distributing the settlement proceeds. However, at no time shall any such form (1) be used in any proceeding, action, etc. in regard to any individual employee, (2) be placed (or a copy placed) in any individual employee's personnel file, or (3) be provided to any manager or supervisor at the claims office level or below. The purpose of this procedure is to ensure that no current or former employee could, in any way, be negatively impacted by filing a claim.

C. Notice and Administration.

The settlement process will be administered by the Administrator. The costs of administration shall be subtracted from the potential maximum settlement amount to be paid by Allstate, except that if Allstate elects to

have the claims administrator disburse settlement proceeds to Class Members, the cost of those activities will be paid by Allstate.

D. Release and Waiver.

The scope of the release and waiver that Class Members are providing Allstate is important, and the full text of that release is attached as an Appendix to this Notice. In summary, if the settlement is approved by the Court, the scope of the release and waiver upon the Effective Date of the settlement is as follows:

1. All Class Members, including those who do not submit a Claim Form, shall be deemed to have agreed that, except for the obligations imposed by this settlement, Allstate shall be forever released and discharged from all "Released Claims" (including, without limitation, that Allstate failed to pay Class Members overtime or to provide them with rest breaks and meal periods, or otherwise violated California law with respect to the payment of wages or the maintenance of records) and that the Class representatives and all Class Members shall be barred and enjoined from suing the Released Parties for any liability in any way related to or arising out of any Released Claim. The Released Claims also include any and all claims, of every kind and nature, known or unknown, that were or could have been asserted against Allstate by the Class representatives or Class Members in any type of proceeding, for unpaid overtime compensation and/or statutory penalties, or any other relief sought in the Complaint, or in the Amended Complaint filed on September 7, 2005 in this matter for the period November 27, 1996 through the effective date of the settlement.
2. Any Class Member who submits a timely or late Claim Form (late claims are described in paragraph 6 of section VI, below) will also release the Released Parties from the "Released Federal Claims." For purposes of the settlement, "Released Federal Claims" includes all "Released Claims" plus any claims under federal law, including under the Fair Labor Standards Act, for failure to pay overtime, to maintain records or for any other claim regarding the payment of wages under federal law. Released Federal Claims also means any and all claims, of every kind and nature, known or unknown, that were or could have been asserted against Allstate by the Class representatives or Class Members in any type of proceeding, for unpaid overtime compensation and/or statutory penalties, or any other relief sought in the Complaint, or in the Amended Complaint filed on September 7, 2005 in this matter for the period November 27, 1996 through the effective date of the settlement.
3. Any Class Member who submits a timely or late Claim Form will also (a) acknowledge that none of the amounts paid under this settlement will constitute compensation under the Allstate Retirement Plan or the Savings and Profit Sharing Fund of Allstate Employees, and will waive any and all claims for additional contributions to and/or benefits under any pension, retirement and/or 401(k) plan maintained or sponsored by Allstate based on any amount paid under the settlement.

This summary is for your convenience only. The full scope of the release and waiver will be governed by the terms of the Settlement Agreement.

E. Attorneys' Fees.

Class Counsel has litigated this matter since September 2000. The three law firms representing the Class have devoted substantial time, effort and expenses in prosecuting this matter, including taking approximately 400 depositions, reviewing over 75,000 pages of documents produced by Allstate, obtaining class certification, obtaining summary adjudication, etc. It is customary for courts to award attorneys' fees based upon a percentage of the potential maximum settlement amount for the benefit of a class in amounts ranging from 25% to 40% of that amount. In this case, each of the three firms representing the Class will request an award equal to 11 1/9% of the potential maximum settlement amount, for a total attorneys' fee award of 33 1/3%. Class Counsel will also seek reimbursement of the costs and expenses they have incurred on behalf of the Class, estimated to be approximately \$800,000.

V. INCENTIVE AWARD

The Class representative (Ms. Bednar and Mr. Sekly) will seek an incentive award from the potential maximum settlement amount not to exceed $\frac{3}{4}$ of the average individual settlement award for a Class Member who was in the Class for the full Class Period for the time and effort they have expended in bringing this action.

VI. CALCULATION OF PAYMENTS TO CLASS MEMBERS

The settlement administrative costs, incentive awards to each of the Class representatives, Referee costs, attorneys' fees and costs and other associated expenses and a reserve for "Late Claims" (discussed below) shall be subtracted from the potential maximum settlement amount. The funds remaining after payment of these expenses are designated as the Potential Gross Individual Settlement Proceeds, which is the amount available for distribution among Class Members who submit timely claims. The calculation of each Class Member's share of the funds available for distribution is as follows:

1. The Potential Gross Individual Settlement Proceeds will first be allocated among the calendar years in the Class Period (from November 27, 1996 through December 31, 2004). Each year's allocation shall be a percentage equal to (i) the total compensation to all Class Members during that year plus imputed interest calculated at 7% per annum simple interest through December 31, 2004, divided by (ii) the sum of all such compensation and all such imputed interest for all calendar years in the Class Period.
2. A Class Member's total compensation for a calendar year shall be the amount reported in Box 1 of the member's W-2 form for that year (prorated to the nearest full month for any year in which a Class Member was not actively employed in the Class for the entire year). Every Class Member who was employed as a catastrophe ("CAT") adjuster at any time during each year shall have his or her annual gross compensation for that year adjusted as set forth in paragraph 3.
3. Each Class Member shall be entitled to an "Individual Percentage" of each calendar year's allocation on a year-by-year basis based on that Class Member's compensation as a Class Member during each year. That percentage shall equal (i) the gross compensation earned by that Class Member for the months in each calendar year that such Class Member worked as a Class Member divided by (ii) the total gross compensation paid to all Class Members for all of the months worked by Class Members during such year of the Class Period. Every Class Member who was employed as a CAT adjuster at any time during each year shall have his or her annual gross compensation for that year increased by a factor equal to 60% times the ratio of the number of days that Class Member worked as a CAT adjuster that year over 365. It is understood that Individual Percentages for Class Members who worked as CAT adjusters in any year will be increased, and the Individual Percentages for Class Members who did not work as CAT adjusters for that year shall be correspondingly reduced. (For purposes of 1996 only, any person who was a Class Member for at least two weeks between November 27 and December 31, 1996 shall be credited with one month, and CAT adjuster duty shall not be considered.) The Individual Percentage so determined for each Class Member shall then be multiplied by the Potential Gross Individual Settlement Proceeds allocated to that calendar year to determine the allocations to Class Members for that calendar year. Of the total amount so allocated, the percentage allocable to imputed interest shall be interest and the remainder shall be, in the appropriate percentages, wages (subject to withholding) and employer-paid payroll taxes on such wages.

Example: If a Class Member worked during a year in the Class Period and earned a total of \$1, and the total gross compensation paid out to Class Members during that year, after adjustments for CAT duty, was \$100, that Class Member would be entitled to 1% (1/100) of the Potential Gross Individual Settlement Proceeds allocated to that year.

4. The amount that each Class Member is entitled to receive – the "Individual Settlement Award" – equals the sum of his or her Individual Percentages of each year's allocation. The proportion of each year's allocation that represents imputed interest shall be interest income to the Class Member. The portion of each Class Member's Individual Settlement Award that is not interest shall be divided by the appropriate factor to determine the Class Member's gross wages (subject to withholding) and the balance shall be the employer-paid payroll taxes with respect to such gross wages.
5. The total of Individual Settlement Awards claimed by Settlement Class Members shall be the "Claimed Settlement Amount." If each and every Class Member submits a timely and properly completed Claim Form, then the Claimed Settlement Amount shall equal the Potential Gross Individual Settlement Proceeds and all Individual Settlement Awards shall be distributed to all Settlement Class Members. If all Class Members do not submit timely and properly completed Claim Forms, Allstate may pay less than the Potential Gross Individual Settlement Proceeds, as follows:

The value of the Individual Settlement Award for a Class Member who does not submit a timely Claim Form shall be determined by the Administrator and allocated to the "Unclaimed Amount." The first \$6 million plus one-half of any amount over \$6 million in the Unclaimed Amount shall be distributed to Class

Members who submitted timely Claim Forms on a pro rata basis where the numerator equals each Settlement Class Member's Individual Settlement Award and the denominator equals the sum of the Individual Settlement Award for all Settlement Class Members. Each allocation shall be interest, wages (subject to withholding) and employer-paid payroll taxes on such wages in the same proportions as each Settlement Class Member's Individual Settlement Award. The balance of the Unclaimed Amount (one-half of any amount over \$6 million) shall be retained by Allstate.

6. TO PARTICIPATE IN THE SETTLEMENT TO THE FULL EXTENT POSSIBLE, YOU MUST SUBMIT A VALID AND TIMELY CLAIM FORM. For any Claim Form submitted after [date] – the “Submission Date” – the Referee shall determine whether the Claim Form should be deemed as timely (due to an inaccurate address for the Class Member), considered an approved “Late Claim,” or rejected. For any Claim Form submitted after January 31, 2006, the Referee shall determine whether the Claim Form should be approved as a Late Claim (regardless of the reason the Claim Form was submitted late) or rejected. Any Claim Form submitted after February 28, 2006, regardless of the reason, shall be rejected. The Referee's decisions in this regard shall be final, binding and non-appealable.

7. A total of \$500,000 (the “Late Claim Reserve”) shall be held aside from the Potential Maximum Consideration to cover the payment of Late Claims. The Individual Settlement Award for a Late Claim shall be computed as if such claim had not been late, except that (i) all such claims shall be paid separately from the Late Claim Reserve; (ii) the total of all such claims shall not exceed such reserve; and (iii) Class Members submitting Late Claims shall not participate in the distribution of the Unclaimed Amount. If the total of the Late Claims exceeds the Late Claim Reserve, all such claims shall be reduced proportionately so that the total paid does not exceed \$500,000. If the total of Late Claims is less than \$500,000, the unused portion of the Late Claim Reserve shall be retained by Allstate.

8. Class Members shall have the right to challenge Allstate's position as to the number of months a Class Member was employed during the Class Period and/or the number of days of CAT duty worked. The Class Member's basis for this challenge, along with copies of any supporting documents, must be provided to the Claims Administrator with the Class Member's Claim Form. Allstate will have the opportunity to respond to the Class Member's position in writing, and the Class Member will be permitted to reply to the same. Thereafter, the Referee will decide the issue based upon the written information provided, and the Referee's decision shall be final, binding and non-appealable.

9. Allstate will withhold from settlement payments federal and state withholding amounts as required by federal and state tax laws.

VII. SETTLEMENT APPROVAL HEARING

A hearing has been scheduled on October 31, 2005 at 1:30 p.m. before the Honorable Edward Panelli (Ret.) at Los Angeles Superior Court, Central Civil West Courthouse, Department 309, 600 S. Commonwealth Avenue, Los Angeles, CA 90005 at which time the Referee will determine: (1) whether the proposed settlement should be approved as fair, reasonable and adequate to Class Members; and (2) whether the application of Class Counsel for an award of attorneys' fees and expenses should be approved and in what amount. The Referee will thereafter report his findings to the Court and, if those findings are favorable and approved by the Court, an order granting final approval will be entered.

You are not required to attend the settlement approval hearing.

VIII. RIGHT TO OBJECT TO THE SETTLEMENT

If you fall within the Class definition and are a Class Member, you will be bound by any Final Judgment related to this settlement. If you do not properly complete and mail in a Claim Form in a timely manner you will not receive any award under the settlement. All Class Members will be bound by a final judgment in this Action.

At the settlement hearing, any Class Member may appear in person or by counsel of his or her own choosing and at his or her own expense. To the extent allowed by the Court, such a Class Member may be heard in opposition to the fairness, reasonableness and adequacy of the settlement, or to the application for an award of attorneys' fees and reimbursement of expenses and costs. However, no objector shall be heard in opposition to the settlement and/or the application for attorneys fees and expenses, nor shall any paper or brief submitted by the Objector be accepted or considered by the Court, unless, on or before October 23, 2005 (the “Objection Deadline”), the objector (a) files with the Referee, the Hon. Edward Panelli (Ret.), at Judicial Arbitration & Mediation, 707 Wilshire Blvd., 46th Floor, Los Angeles, CA 90017 written notice of such person's intention to

appear, together with a written notice of objection and a statement providing the basis for the objection, along with any and all documentation in support of such objection, and (b) simultaneously serves copies of such notice, statement, and documentation, together with copies of any other papers or briefs filed with the Referee, upon Class Counsel and Defendant's Counsel as follows:

<u>Class Counsel:</u> Louis M. Marlin Marlin & Saltzman 2400 E. Katella Ave. Suite 1030 Anaheim, CA 92806	<u>Defendant's Counsel:</u> Joel E. Krischer Latham & Watkins LLP Suite 4000 633 West 5th Street Los Angeles, CA 90071
---	--

Any objector who does not object in the manner provided above shall be deemed to have waived such objection, and shall forever be foreclosed from objecting to the fairness, reasonableness or adequacy of the proposed settlement, or any award of attorneys' fees or reimbursement of costs and expenses.

IX. REMINDER OF IMPORTANT SETTLEMENT DATES AND DEADLINES

The following are important dates and deadlines under the proposed settlement:

Objection Deadline:	<u>October 23, 2005</u>
Settlement Hearing:	<u>October 31, 2005</u>
Proof of Claim Deadline:	<u>December 7, 2005</u>

X. ADDITIONAL INFORMATION

For more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and the Referee, and to the other papers filed in this Action, which may be inspected at the Clerk of Central Civil West division of the Court, during regular business hours. In addition, the Settlement Agreement can be viewed online at www.overtimelawsuit.com under the "Allstate" tab.

Any questions concerning the matters contained in this Notice may be directed to any of the Class Counsel identified above in writing, via e-mail links at www.overtimelawsuit.com, or by calling Class Counsel at:

888-587-7100

You may also seek the advice and counsel of your own attorney, at your own expense, if you desire. **Do Not CONTACT THE COURT OR THE REFEREE.**

**Sekly v. Allstate
Notice of Class Action Settlement
Appendix**

**APPENDIX TO NOTICE OF CLASS ACTION SETTLEMENT
IN
SEKLY v. ALLSTATE**

The full scope of the release and waiver that Class Members are providing to Allstate is set forth in paragraphs 15 through 18 of the Settlement Agreement. Those provisions are as follows:

15. RELEASE BY ALL CLASS MEMBERS

(a) As of the Effective Date, the Class Members, including the Named Plaintiff, release Allstate and each of its subsidiaries, affiliated and parent corporations, and, as the case may be, each of their respective past, present or future owners, stockholders, officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its and their respective successors and predecessors in interest and attorneys, and each of their company-sponsored employee benefit plans and all of their respective officers, directors, employees, administrators, fiduciaries, trustees and agents (the "Released Parties"), from the "Released Claims." For purposes of this Agreement, the "Released Claims" are defined as:

(1) All claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal constitution, statute, rule or regulation, including state wage and hour laws, whether for economic damages, non-economic damages, restitution, penalties or liquidated damages, arising out of:

[a] any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act alleged, or related to acts alleged, in the Class Complaint, including but not limited to claims: (i) that Allstate did not pay the Class Members all overtime they were owed for work performed as Class Members in California; (ii) that Allstate failed to provide Breaks to the Class Members while they performed work as Class Members in the State of California; and/or (iii) that Allstate owes wages, waiting-time penalties, penalties, including any penalties which may be available pursuant to the PAGA, interest, attorneys' fees or other damages of any kind related to the claims alleged in the Class Complaint, at any times on or before the last day of the Class Period (whether based on California state wage and hour law, contract, or otherwise); and/or

[b] the causes of action asserted in the Class Complaint, including but not limited to any and all claims for alleged failure to pay overtime, for alleged failure to provide Breaks, for alleged failure to maintain and furnish records of hours worked, for alleged unlawful conversion of wages, for failure to timely pay wages, for alleged minimum wage and pay stub violations and related violations of Wage Orders, for waiting time penalties, and, as related to the foregoing, for alleged unlawful, unfair and/or fraudulent business practices under California Business and Professions Code section 17200, et seq.

(2) The Released Claims include any unknown claims that the Class Members do not know or suspect to exist in their favor at the time of the release, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision not to object to this settlement. With respect to the Released Claims, the Class Members stipulate and agree that, upon the Effective Date, the Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which section 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.

(b) The Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

(c) The Class Members, on behalf of themselves and their respective assigns, agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released Claims.

16. ADDITIONAL RELEASE BY ALL SETTLEMENT CLASS MEMBERS

(a) As of the Effective Date, the Settlement Class Members, including the Named Plaintiff, and any Late Claim Settlement Class Members, in addition to releasing the Released Parties from the Released Claims as outlined above in paragraph 15, release the Released Parties from the "Released Federal Claims." For purposes of this Agreement, the "Released Federal Claims" are defined as:

(1) All claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal constitution, statute, rule or regulation, including federal wage and hour laws, whether for economic damages, non-economic damages, restitution, penalties or liquidated damages, arising out of:

[a] any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act alleged, or related to acts alleged, in the Class Complaint, including all federal claims pursuant to the FLSA, including claims: (a) that Allstate did not pay the Class Members all overtime they were owed for work performed as Class Members in the State of California; (b) that Allstate failed to provide Breaks to the Class Members while they performed work as Class Members within the State of California; and/or (c) that Allstate owes wages, waiting time penalties, penalties, including any penalties which may be available pursuant to the PAGA, interest, attorneys' fees or other damages of any kind related to the claims alleged in the Class Complaint, at any time on or before the last day of the Class Period (whether based on federal wage and hour law, contract, or otherwise); and/or

[b] the causes of action asserted in the Class Complaint, including any and all federal claims arising from the FLSA for alleged failure to pay overtime, for alleged failure to provide Breaks, for alleged failure to maintain and furnish records of hours worked, and for alleged unlawful conversion of wages due to Class Members for hours worked as Class Members within the State of California.

(2) The Released Federal Claims include any unknown claims that the Settlement Class Members and any Late Claim Settlement Class Members do not know or suspect to exist in their favor at the time of the release, which, if known by them, might have affected their settlement with, and release of, the Released Parties or might have affected their decision not to object to this settlement. With respect to the Released Federal Claims, the Settlement Class Members and any Late Claim Settlement Class Members stipulate and agree that, upon the Effective Date, the Settlement Class Members and any Late Claim Settlement Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which section 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.

(b) The Settlement Class Members and any Late Claim Settlement Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Federal Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Federal

Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

(c) The Settlement Class Members and any Late Claim Settlement Class Members, on behalf of themselves and their respective assigns, agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released Federal Claims. The Released Federal Claims are limited to Settlement Class Members and any Late Claim Settlement Class Members claims arising from working in or being based from (during CAT duty) California claims offices.

17. WAIVER OF FUTURE PENSION, RETIREMENT AND/OR 401(K) RIGHTS BY ALL SETTLEMENT CLASS MEMBERS

As of the Effective Date, the Settlement Class Members and any Late Claim Settlement Class Members, including the Named Plaintiff, in addition to releasing the Released Parties from the Released Claims as outlined above in paragraph 14 and 15, expressly, knowingly and voluntarily

(a) acknowledge that none of the amounts paid under this Agreement constitute either “annual compensation” or “eligible annual compensation” under the Allstate Retirement Plan or “eligible compensation” under the Savings and Profit Sharing Fund of Allstate Employees; and

(b) waive any and all claims for additional contributions to and/or benefits under any pension, retirement and/or 401(k) plan maintained or sponsored by Allstate based on any amount paid under this Agreement. Nothing in this provision or this Agreement shall in any other way affect the rights of any Class Member to any benefits under any such plan to which such Class Member may otherwise be entitled in accordance with the terms of any such plan.

18. WAIVER OF RIGHTS

(a) Defendant waives any right it may have to further appeal or contest, in any manner, the order certifying this matter as a class action or the order granting Plaintiffs’ motion for summary adjudication.

(b) Class Members waive any right they may have to overtime pay or any other matter alleged in or related to allegations in the Class Complaint except as provided for in this Agreement.

(c) The parties hereto, including the Plaintiff Class, stipulate and agree that the consideration paid to the Class Members pursuant to this Agreement compensates the Plaintiff Class for all overtime compensation due to them, all penalties, all liability for Breaks and any compensation to which they may be entitled pursuant to the California Labor Code, or the applicable Wage Order, and any related penalties and as such, the Class Members are not “aggrieved employees” for purposes of the PAGA, and, therefore, Defendant are not liable for any penalties pursuant to the PAGA.

(d) The parties hereto, including the Plaintiff Class, further stipulate and agree that even if any Class Member is considered or determined to be an “aggrieved employee” for purposes of the PAGA, said Class Member waives any potential right to any penalty prescribed by the PAGA, the California Labor Code or the applicable Wage Order.

(e) The parties hereto, including the Plaintiff Class, further stipulate and agree that Defendant has taken reasonable steps to insure that Breaks are taken as required by law and that Defendant is in compliance with the California Labor Code and applicable Wage Order and that Class Counsel has conducted a reasonable investigation and determined that Defendant is currently in compliance with the California Labor Code and applicable Wage Order and Breaks are being provided as required by law.

(f) The Referee and the Court have reviewed this Agreement and concluded that Plaintiff Class has been adequately compensated for all violations alleged in the Class Complaint and to which they otherwise may be entitled and that any additional penalties pursuant to the PAGA would be an unjust and oppressive award. Accordingly, to the extent any PAGA penalties could potentially be awarded to the Plaintiff Class, the Court hereby determines that no PAGA penalties should be awarded. The parties to this Agreement concur with this determination.