

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
BLS-1

ALEX YOUSSEFI, on behalf of himself and all
others similarly situated,

Plaintiffs,

v.

DIRECT ENERGY SERVICES, LLC;
CREDICO (USA) LLC

Defendants.

Civ. No. 1884cv03809

**NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED CLASS ACTION SETTLEMENT**

If you sold Direct Energy products door-to-door in Massachusetts on a sales campaign brokered by Credico (USA) LLC for all or part of the time period between July 1, 2015 and October 31, 2018, a proposed Class Action Settlement may affect your rights.

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

Please read this Notice carefully. Your legal rights may be affected, even if you do nothing.

1. What is this document?

This is a Notice that describes a proposed settlement (the “Proposed Settlement”) of the class action lawsuit called *Alex Youssefi v. Direct Energy Services, LLC, et al.*, Civ. No. 1884-cv-03809 (the “Lawsuit”), which is currently pending in the Massachusetts Superior Court for Suffolk County (the “Court”). The Court has authorized us to send you this Notice.

2. Why am I receiving this Notice?

You have received this Notice because records maintained by either Direct Energy Services, LLC or Credico (USA) LLC indicate that you sold Direct Energy products door-to-door in Massachusetts on a Credico-brokered sales campaign during the relevant time period, which means you may be eligible to recover money as part of the Proposed Settlement and that your legal rights may be affected. This Notice is intended to inform you about the Proposed Settlement so that you can make an informed decision about whether to participate in the Proposed Settlement.

3. What is the Lawsuit about?

The plaintiff, Alex Youssefi, sold Direct Energy products door-to-door on a Credico-brokered sales campaign. He filed this Action alleging that Direct Energy and Credico misclassified him, as well as other individuals who sold Direct Energy products door-to-door in Massachusetts on a Credico-brokered sales campaign, as independent contractors, and, as a result, failed to pay them certain wages and benefits in violation of certain Massachusetts wage laws, including G.L. c. 149, §§ 148, 148B and G.L. c. 151, §§ 1-1B. The plaintiff further claimed that Direct Energy and Credico breached a contract.

Direct Energy and Credico deny the allegations in the Lawsuit, deny any and all wrongdoing, and maintain that they complied with all applicable statutes and laws. Direct Energy and Credico further maintain that no contract ever was breached, they did not misclassify anyone, and that they had no obligation to pay benefits or any wage to the plaintiff or any putative class.

The Court has not determined the merits of the plaintiffs' allegations or Direct Energy's and/or Credico's defenses in the Lawsuit and has not found that either Direct Energy or Credico violated any law.

The parties wish to resolve this matter on a class-wide basis to avoid protracted litigation and to fully and finally resolve and settle all claims relating to the allegations in the Lawsuit. The Proposed Settlement is a proposed resolution of those claims.

It remains conditioned upon approval by the Court.

4. What are my options?

You have three options in deciding how you want to respond to this Notice and the Proposed Settlement:

OPTION 1	<u>Submit a Claim Form</u> . You will receive money from the Settlement <u>only if you submit a valid Claim Form</u> no later than <u>June 28, 2024</u>. The claims process is described in more detail in response to Questions 7 and 8, below. The Claim Form is included with this Notice.
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OPTION 2	<u>Do Nothing</u> . If you do nothing, you will remain in the Class, but you will get <u>no money</u> from the Proposed Settlement. All of the Court's orders will apply to you. You will not be able to file your own lawsuit to pursue the claims in this case. In other words, if you do nothing, you will still be bound by the proposed Settlement, including the release set forth on the enclosed Claim Form.
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OPTION 3	<p><u>Object.</u> You may object to the Proposed Settlement by mailing, e-mailing, or faxing a written objection to the Administrator, at the address below or number below, postmarked no later than June 28, 2024. Your objection must be in writing and must include a statement specifying the reasons you are objecting to the Proposed Settlement. The objection also must include your full name, mailing address, email address, and phone number, along with the name of the entity (or entities) that hired you to sell Direct Energy products on a Credico-brokered campaign, and the dates when you performed work for that entity. If you intend to appear before the Court to object to the Proposed Settlement at the fairness hearing (described in Question 6, below), you must state that in your objection. In addition, you must personally sign the objection. The Court may decline to consider any objection received after June 28, 2024 or which fails to meet the criteria described above.</p> <p>Any objection must be mailed, emailed, or faxed to the Administrator, at the following address:</p> <p style="text-align: center;">Direct Energy Settlement c/o Atticus Administration LLC PO Box 64053 Saint Paul, MN 55164 Fax: 1-888-326-6411 Email: DirectEnergySettlement@atticusadmin.com</p> <p>Please note that, even if you submit an objection to the Proposed Settlement, you must still submit a valid Claim Form in order to get money from the Proposed Settlement. In other words, even if you object you must also timely return a valid Claim Form in order to get money from the Proposed Settlement.</p>
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5. Who is eligible to participate in the Proposed Settlement?
All individuals who sold Direct Energy products door-to-door in Massachusetts on a Credico-brokered sales campaign for all or part of the time period from July 1, 2015 and October 31, 2018, may participate in the Proposed Settlement.

6. When will the Court decide if it approves the Proposed Settlement?
There will be a settlement approval hearing on July 31, 2024 at 2:00 pm at the Suffolk Superior Court, Courtroom 1309, located on the 13 th floor of 3 Pemberton Square, Boston, MA 02108. At this hearing the Court will consider whether the Proposed Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. If you would like to attend the settlement approval hearing, you are free to do so. You do not need to attend the settlement approval hearing in order to participate in the Settlement.

7. What are the Proposed Settlement benefits?

The total amount of the Proposed Settlement is \$450,000. If the Court approves the Proposed Settlement, up to one-third of the total settlement amount (\$148,500) will be used to pay attorneys' fees and costs incurred by Class Counsel for bringing and prosecuting the Action. In addition, \$5,000 will be paid as a service award to Mr. Youssefi for serving as the Class Representative and taking part in this case. A portion of the Proposed Settlement will also be paid to a third-party administrator, Atticus Administration (the "Administrator") in exchange for its assistance in administering the Proposed Settlement.

Assuming the Proposed Settlement is approved by the Court, the remainder of the Proposed Settlement, after the foregoing payments are excluded, will be distributed on a *pro rata* basis to eligible Participating Class Members who timely submit Claim Forms, in accordance with a formula for estimating alleged minimum wage underpayments agreed to by the parties and approved by the Court.

That formula estimates the weekly minimum wage owed to each Participating Class Member using Direct Energy sales data to estimate the number of days worked each week. The formula offsets the estimated weekly minimum wage obligation using an estimate of commissions paid for each Participating Class Member's actual sales in that week. In other words, the formula calculates an estimate of what you should have been paid in a week based on the number of days you worked and an estimate of what you were actually paid. This means that if a Participating Class Member hypothetically worked the same number of days in each of two weeks, but had more sales in first week and fewer sales in the second week, the estimated minimum wage underpayment in the first week would be less than in the second week. Similarly, if a Participating Class Member had the same number of sales in each of two weeks, but worked more days in the first week and fewer days in the second week, the estimated minimum wage underpayment would generally be greater in the first week than in the second week.

Participating Class Members with larger estimated alleged minimum wage underpayments will receive a greater share of the Net Settlement Fund. Each Participating Class Member who submits a timely Claim Form will receive at least \$100 dollars.

If there are any unused, residual funds remaining in the settlement account more than ninety (90) days after such distribution (*i.e.*, from uncashed settlement checks), those funds will be donated to the Massachusetts IOLTA Committee.

8. When will I receive a Settlement Payment?

You will not receive any Settlement Payment unless and until the Court approves the Proposed Settlement. If the Court approves the Settlement, the Administrator will issue your check within thirty-five (35) calendar days after all rights of appeal or review of the Court’s approval order have expired or any appeal or review has been resolved in favor of approval of the Settlement.

The Administrator will issue any Settlement Payments by check at the address listed on your Claim Form.

IT IS YOUR RESPONSIBILITY TO KEEP THE ADMINISTRATOR INFORMED OF ANY CHANGE OF ADDRESS OR CHANGE OF NAME BETWEEN WHEN YOU RETURN YOUR CLAIM FORM AND WHEN ANY SETTLEMENT PAYMENTS ARE MADE.

9. Are any Settlement Payments I receive taxable income?

Any Settlement Payment that you receive will be reported to the IRS as non-wage income on an IRS Form 1099, at the end of the tax year, and no taxes will be withheld.

You will be responsible for paying all required taxes on any Settlement Payment and any questions you may have should be directed to a tax professional. Settlement Class Counsel cannot provide you with tax advice with respect to any Settlement Payments, nor can the Administrator, nor can Direct Energy, Credico, or their counsel.

10. Who is representing the Class and the Plaintiffs?

The Court has appointed the following attorneys to represent the Class:

Rachel Smit, Esq.
Hillary Schwab, Esq.
FAIR WORK, P.C.
192 South Street, Suite 450
Boston, MA 02111
(857) 800-0440
class.admin@fairworklaw.com

These attorneys are “Settlement Class Counsel.” You do not need to hire your own attorney because Settlement Class Counsel is working on your behalf. You do, however, have the right to your own attorney, but you will be required to separately pay your own attorney’s fees. If you have questions or desire additional details, you may contact Settlement Class Counsel.

11. How can I get additional information?

This Notice only summarizes the Lawsuit, the Proposed Settlement, and related matters. If you have any questions, or to request a copy of the relevant settlement documents or other case documents, you may find them on the website www.DirectEnergySettlement.com, or direct them to either Settlement Class Counsel (using the contact information in **Question 10**, above) or the Administrator at:

Direct Energy Settlement
c/o Atticus Administration LLC
PO Box 64053
Saint Paul, MN 55164
Phone: 1- 888-221-3228
Fax: 1-888-326-6411
Email: DirectEnergySettlement@atticusadmin.com

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT, ANY COURT PERSONNEL, OR DIRECT ENERGY'S OR CREDICO'S COUNSEL ABOUT THIS CASE OR THE PROPOSED SETTLEMENT. THEY WILL BE UNABLE TO HELP YOU.