

NOTICE OF SETTLEMENT APPROVAL AND CERTIFICATION

THIS NOTICE IS FOR ALL INDIVIDUALS WHO WORKED OR CONTINUE TO WORK FOR APPROVAL TEAM INC. BETWEEN JANUARY 1st, 2018 AND JULY 30th, 2020, AS SALESPERSONS AND SALES MANAGERS AS INDEPENDENT CONTRACTORS AND THOSE WHO WORKED AS EMPLOYEES, BETWEEN JANUARY 1st 2018 AND JULY 30th, 2020

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

The representative plaintiff, Tom Rallis (the “**Plaintiff**”), commenced a class proceeding against the Corporate Defendants, Approval Team Inc., Sergey Barandich, Patrick Jardine, and Aleksandar Savic (collectively, the “**Defendants**”).

The Court has approved a settlement reached on behalf of those individuals who fit into one of the following categories:

All salespersons and sales managers of Approval Team Inc. who, since January 1st, 2018 to July 30th, 2020, worked or continue to work for Approval Team Inc., as independent contractors. (the “**Certified Class Members**”).

All salespersons and sales managers of Approval Team Inc. who, since January 1st, 2018 to July 30th, 2020, worked or continue to work for Approval Team Inc., as employees. (the “**Extended Class Members**”).

Notice of Class Action Settlement

The Ontario Superior Court of Justice has recently certified and approved a settlement (the “**Settlement**”) in a class action against the Defendants.

You are receiving this notice because you may be entitled to a payment under the Settlement. The Settlement is a compromise of disputed claims against the Defendants without any admission of liability by the Defendants and will resolve all claims in connection with any conduct alleged, or which could have been alleged, in this action.

Please read this notice carefully for details.

This notice also describes how to opt-out of the class action, only if you belong to the **Extended Class** should you wish to do so.

The Ontario Superior Court of Justice authorized the distribution of this notice. This is not a solicitation from a lawyer.

What Is the Class Action about?

The Plaintiff commenced this proposed class action against the Defendants on behalf of all salespeople and sales managers who worked in Ontario for the Defendants between January 1st, 2018 and July 30th, 2020 as independent contractors, as well as employees of the Defendants between January 1st, 2018 July 30th, 2020 for the Extended Class. Among other things, the Plaintiff alleges that the Defendants misclassified the above workers as independent contractors when, at law, they were employees and were therefore entitled to receive certain employment benefit payments, such as overtime pay, vacation pay, public holiday pay, Canada Pension Plan contributions and Employment Insurance contributions.

The Plaintiff is seeking compensatory damages for allegedly unpaid wages, overtime pay, vacation pay, public holiday pay, Canada Pension Plan contributions and Employment Insurance contributions, as well as for punitive damages. The Certified Class was certified on July 7th, 2020, and the action was certified for the Extended Class on January 17, 2022. Monkhouse Law represents the class (“**Class Counsel**”).

The Defendants have denied all the allegations made against them in this proceeding.

Am I Eligible?

You are a Class Member and are entitled to participate in the proceeding if you fall within the following definitions:

All salespersons and sales managers of Approval Team Inc. who, since January 1st, 2018 to July 30th, 2020, worked or continue to work for Approval Team Inc., as independent contractors. (the “**Certified Class Members**”).

All salespersons and sales managers of Approval Team Inc. who, since January 1st, 2018 to July 30th, 2020, worked or continue to work for Approval Team Inc., as employees. (the “**Extended Class Members**”).

Estates of Class Members may also be eligible for compensation under the Settlement.

All Class Members (except those Extended Class members who validly "opt out" of this class action, as described below) will be bound by the terms of the Settlement and will be covered by the releases in the Settlement. As a result, they will automatically release, and will not be able to pursue, any claims they may have against the Defendants relating to any conduct alleged, or which could have been alleged, in this class action.

What Does the Settlement Provide?

The Settlement provides that:

- To receive payment, Class Members **must** fill out a claims form that details, to the best of their abilities, the dates which they worked for the Corporate Defendants, and their current contact information. Those who fill out the forms will be referred to herein as Putative Class Members.
- The Defendants will receive these claims forms and will review their records to corroborate the information contained therein.
- The Defendants will send a notification letter to each Putative Class Member and explain what they have concluded regarding the Putative Class Member's work history, and the value of their claim.
- If a Putative Class Member disagrees with the Defendants' assessment, they can file an appeal with a designated referee.
- Once all appeals are resolved, the Defendants will calculate the estimated amount each Putative Class Member is entitled to receive under the settlement using a pre-determined formula.

The Court has approved a global, all-inclusive settlement payment amount of \$850,000 (the "**Gross Settlement Funds**") in exchange for, among other things, a full and final release of the claims against the Defendants. The Gross Settlement Funds shall be reduced by Class Counsel's fees, HST, disbursements, settlement administration costs and/or an Honorarium. The remaining amount shall be available to be distributed in accordance with the Distribution Plan in the Settlement Agreement, including a distribution to eligible class members, as described in greater detail below.

You will not have to pay any of the fees and expenses of Class Counsel. The Court has approved a contingency fee agreement and has fixed Class Counsel fees and disbursements in the amount of \$338,107.73 This amount is inclusive of legal fees, HST, and disbursements.

Full details of the settlement are available in the formal settlement agreement found at:

<https://www.monkouselaw.com/approval-team-employment-standards-class-action/> .

How Much Money Will I Get?

The amount each class member will receive will depend on several factors. These factors include:

- (1) The number of class members that apply for payment;
- (2) The number of hours you worked for the Corporate Defendant and the rate you were paid;
- (3) What holidays occurred during your tenure; and
- (4) Whether you worked as an independent contractor or as an

employee.

The Defendants will review their records to confirm the number of hours each class member worked for the Corporate Defendant, as well as each class member's hourly rate of pay. These figures will be applied to a pre-determined formula to calculate what share of the settlement amount each class member will receive.

Settlement funds will generally be distributed as follows in relation to work performed for Approval Team from January 1st, 2018 to July 30th, 2020 for the Certified Class, and January 1st, 2018 to July 30th, 2020, for the Extended Class:

- (1) A Class Member's Hourly Rate ("HR") will be determined by dividing their monthly payment [A] by the weeks in the pay period [B] multiplied by 44 ($HR = A/(B*44)$), if this Hourly Rate falls below \$14 per hour the Class Member will receive the difference in their HR and the Minimum Wage (\$14) multiplied by the number of hours worked;
- (2) Class Members who worked as independent contractors will be assigned a value of 4% of earned amounts for vacation pay; and
- (3) Class Members who worked as independent contractors will receive 8 hours of pay based on their Hourly Rate for each public holiday that occurred during their engagement with Approval Team for Holiday Pay;
- (4) Class Members who worked as Salespersons will assign 3 hours of overtime per week, to be paid at one and one-half times (1.5x) the Hourly Rate or Minimum Wage, whichever is greater.

All the above figures are **estimates only**: the total payment you receive will be dependent on the number of class members who apply for compensation under the Settlement Agreement and the total costs incurred in administering the settlement.

Importantly, the entirety of the settlement is for a fixed amount, meaning that the Defendants and Class Counsel do not "save" money by denying claims.

If you want to see the formulae being applied in detail, you will have to read the formal Settlement Agreement found at <https://www.monkouselaw.com/approval-team-employment-standards-class-action/>.

Please note that tax withholdings will **only** be made on these amounts if you are Classified as an employee, and Approval Team will issue a T4. If you were classified as an independent contractor than Approval Team will make the payments as damages and will not be making tax deductions. If you have questions regarding the tax consequences, it is recommended that you call the Canada Revenue Agency at **1-800-959-8281**.

How Do I Get This Money?

To be eligible to receive a payment under the Settlement, you must complete a Claims Form and return it to the Defendants by April 15th, 2022. If you do not submit a complete and valid Claims Form by this deadline, you may be ineligible to receive a payment under the Settlement. Claims Forms filed on behalf of the estate of a class member must be submitted by the executor or administrator of the estate. Claims Forms must be submitted to the Defendants either by email or mail at the following:

Approval Team Class Action
c/o Monkhouse Law, 220 Bay Street, Suite 900,
Toronto, Ontario, M5J 2W4
Email: ApprovalTeam.ClassAction@monkouselaw.com
Fax: 888-501-7235

A copy of the Claims Form is attached to this notice. Copies are also available at <https://www.monkouselaw.com/approval-team-employment-standards-class-action/>

If you are a member of the Extended Class and you choose to opt out of the class action, as described below, you will not be eligible for any compensation under the Settlement.

What If I Do Not Want to Be Bound by the Settlement?

If you are a member of the Extended Class, you also have the right to opt out of the class action. By opting out, you reserve the right to make your own claim against the Defendants, including for any allegedly unpaid wages, overtime pay, vacation pay, public holiday pay, Canada Pension Plan contributions and Employment Insurance contributions. The decision to opt out should not be taken lightly, as it means that you would have to start your own claim at your own expense if you wanted to pursue an individual claim against the Defendants. You must also abide by any applicable limitation periods. We advise that you consult a lawyer about any limitations issues before making the decision to opt out.

If you wish to opt-out of this class action, **you can only do so if you are part of the Extended Class**, and you must submit a complete and valid Opt-Out Form to Class Counsel by email, mail or fax no later than **April 15th, 2022** at the following:

Approval Team Class Action
c/o Monkhouse Law, 220 Bay Street, Suite 900,
Toronto, Ontario, M5J 2W4
Email: ApprovalTeam.ClassAction@monkouselaw.com
Fax: 888-501-7235

An Opt-Out Form will only be valid if it contains the following:

1. The full name of this proceeding (*Tom Rallis v. Approval Team Inc.*),

- Sergey Barandich, Patrick Jardine, and Aleksandar Savic*, or similar identifying words);
2. Your full name, current mailing address, email address and telephone number;
 3. Your signature or the signature of a legal agent acting with your instruction; and
 4. A brief statement:
 - (i) That you understand that you will be excluded from the class action and any benefits under the Settlement; and
 - (ii) Setting out the reason(s) for your decision to opt-out of the class action.

If you opt out of this class action, you will not be entitled to any compensation under the class action settlement.

A copy of the Opt-Out Form is available at:

<https://www.monkouselaw.com/approval-team-employment-standards-class-action/>

Want More Information?

Visit, call, or email Class Counsel at:

Website: www.monkouselaw.com

Email: approvalteam.classaction@monkouselaw.com

Telephone: 416-907-9249