IMPORTANT LEGAL NOTICE

QIUZI HU, an individual, EDWIN RAMIREZ, an individual, IVAN RONCERIA, an individual, WENZHI FEI, an individual, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

JOSE M. PLEHN-DUJOWICH, a.k.a. JOSE M. PLEHN, an individual; BIZQUALIFY LLC, a California limited liability company; and POWERLYTICS, INC., a Delaware corporation,

Defendants.

Case Number: 3:18-cv-01791-EDL

NOTICE OF CLASS ACTION SETTLEMENT

A United States federal court authorized the distribution of this Notice to you. This is <u>not</u> a solicitation from a lawyer.

If you participated in the Global Financial Data Project you <u>may</u> be eligible to receive benefits from a class action settlement.

Your legal rights are affected whether or not you act. Please read this Notice carefully.

WHAT IS THIS NOTICE?

A proposed Class Action Settlement has been reached in a class action lawsuit involving Jose M. Plehn-Dujowich and BizQualify LLC, captioned *Hu, et al. v. Plehn-Dujowich, et al.*, Case No. 3:18-cv-01791-EDL (the "Action") pending in the United States District Court, Northern District of California. A Federal Court authorized this Notice because you have a right to know about the proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to grant final approval of the Settlement. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, and who is eligible to receive them.

Plaintiffs Qiuzi Hu, Edwin Ramirez, Ivan Ronceria, and Wenzhi Fei ("Plaintiffs" or "Class Representatives") have sued Defendants Jose M. Plehn-Dujowich and BizQualify LLC ("Defendants") for their alleged violations of California Labor Code, the federal Fair Labor Standards Act ("FLSA"), fraud, false advertising, breach of contract, unfair competition, and related claims, in connection with the Global Financial Data Project ("GFDP"), an online course operated by the Defendants. Plaintiffs have voluntarily dismissed all claims against former-defendant Powerlytics, Inc., which is no longer a defendant in this action. You have received this Notice because Defendants' records show that you participated in the GFDP during the relevant period. Accordingly, you should read this Notice carefully, because it will affect your rights.

The Parties have agreed to settle the Action in its entirety.

The Settlement Class includes all persons who participated in the Global Financial Data Project.

Because you have been identified as a potential Settlement Class member, at this time you have the following choices:

WHAT ARE MY OPTIONS REGARDING THE SETTLEMENT?		
SUBMIT A CLAIM FORM	If you submit a Claim Form, you will give up the right to sue Defendants in a separate lawsuit about the claims this Settlement resolves. The deadline to submit a Claim Form is December 20, 2019 .	
ASK TO BE EXCLUDED (OPT-OUT)	If you decide to exclude yourself ("opt-out"), you will keep the right to sue Defendants in your own separate lawsuit about the claims this Settlement resolves, but you give up the right to receive the benefits this Settlement provides. The deadline to request exclusion from the Settlement Class is December 20, 2019 .	
OBJECT TO THE SETTLEMENT	If you do not exclude yourself from the Settlement Class, you may object to the Settlement by following the procedures below and submitting your specific objection in writing to the Court. The deadline to object to the Settlement is December 20, 2019 .	
DO NOTHING	If you do nothing, you will not receive the benefits that this Settlement provides and you will give up the right to sue Defendants in a separate lawsuit about the claims this Settlement resolves.	

WHY DID I GET THIS NOTICE?

Defendants' records show that you previously participated in the Global Financial Data Project and are a class member of this lawsuit. This Notice explains that the Court has allowed, or "certified," a class action lawsuit and preliminarily approved a Class Settlement that may affect you. You have legal rights and options that you may exercise.

The United States District Court for the Northern District of California is overseeing this case. The lawsuit is known as *Hu, et al. v. Plehn-Dujowich, et al.*, Case No. 3:18-cv-01791-EDL.

WHAT IS THIS CASE ABOUT?

Plaintiffs filed a lawsuit against Defendants Jose M. Plehn-Dujowich and BizQualify LLC on March 22, 2018, and amended the lawsuit on July 31, 2018 to join Defendant Powerlytics, Inc. as a defendant. Plaintiffs have since voluntarily dismissed all claims asserted against Powerlytics, Inc., which is no

longer a defendant in this lawsuit. The operative First Amended Complaint asserts that Defendants made material misrepresentations with respect to the Global Financial Data Project, advertising the project as being operated, sponsored, endorsed, or affiliated by the University of California, Berkeley and/or the University of California, Los Angeles; that Defendants made certain false promises to provide meaningful educational instruction, a certification, and a letter of recommendation; that Defendants took, under false pretenses, money from those participating in the project, in the form of a course fee; and that Defendants entered into an employer-employee relationship with those who enrolled in Defendants' Global Financial Data Project and performed work for Defendants in connection thereto, including by collecting financial data on U.S. and foreign businesses. Accordingly, Plaintiffs allege that Plaintiffs and all those similarly situated are entitled to monetary damages, liquidated damages, penalties, injunctive relief, interest, costs, attorneys' fees, and expenses. The Court has allowed this case to proceed as a class action on behalf of the following Class of persons:

• **Class**: All persons who enrolled in the Global Financial Data Project. Excluded from the Settlement Class are Defendants' officers and directors and the immediate families of the Defendants' officers and directors. Also excluded from the Settlement Class are the Defendants' legal representatives, heirs, successors or assigns, and any entity in which Defendants have or have had a controlling interest.

The Parties now agree to settle the Action in its entirety. The Parties intend the Settlement to bind the Class Representatives, Defendants, and all Settlement Class Members. The Settlement Class is defined to include the following persons:

• Settlement Class: All Class Members, including Class Representatives, who do not exclude themselves from the Class or Settlement Class, pursuant to the procedures set forth in Section 6.3 of the Settlement Agreement and the Class Notice.

WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit, one or more people, called "Class Representatives" (in this case, Plaintiffs Qiuzi Hu, Edwin Ramirez, Ivan Ronceria, and Wenzhi Fei), sue on behalf of other people who have similar claims. These people together are a "class" or "class members." The plaintiffs who initially sued, and all the class members like them who do not opt-out of the litigation, are called the plaintiffs. The person and companies they sued are called the defendants (in this case Defendants Jose M. Plehn-Dujowich and BizQualify LLC). One Court resolves the issues for everyone in the class, except for those people who choose to exclude themselves from the class (or "opt-out").

WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to this Settlement, in order to avoid the cost and burden of further litigation and so the Settlement Class Members can receive benefits. The Class Representatives and their attorneys believe the Settlement is a fair and reasonable resolution of the claims asserted in this lawsuit.

HOW DO I KNOW IF I AM A PART OF THE SETTLEMENT?

You are a part of the Settlement Class if you participated in the Global Financial Data Project operated by Defendants, at any point in time, and regardless of whether you paid any enrollment fee. Those Settlement Class Members that paid an enrollment fee may be eligible to receive greater compensation than those Members who did not pay a fee.

Excluded from the Settlement Class are Defendants' officers and directors and the immediate families of the Defendants' officers and directors. Also excluded from the Settlement Class are the Defendants' legal representatives, heirs, successors or assigns, and any entity in which Defendants have or have had a controlling interest.

WHAT IF I AM STILL NOT SURE IF I AM A PART OF THE SETTLEMENT?

If you are not sure whether you are included in the Settlement Class, you can contact Class Counsel, which will be serving as the Settlement Administrator:

DHILLON LAW GROUP INC.

Harmeet K. Dhillon, Esq. Krista L. Baughman, Esq. Gregory R. Michael, Esq. 177 Post Street, Suite 700 San Francisco, CA 94108 United States of America Telephone: +1 (415) 433-1700 Facsimile: +1 (415) 520-6593 Email: GFDPsettlement@dhillonlaw.com;

You may also visit the Settlement Website: <u>www.dhillonlaw.com/GlobalFinancialDataProject</u>, for additional information.

HOW DO I KNOW IF I AM ELIGIBLE FOR MONETARY SETTLEMENT BENEFITS?

All Settlement Class Members who submit timely, valid Claim Forms will be eligible to receive monetary benefits. However, the Settlement Agreement also gives priority to those Settlement Class Members who submit both a valid Claim and proof that he or she paid a "course fee" to enroll in the GFDP. To learn more about submitting a Claim Form, see below, or visit the Settlement Website at: www.dhillonlaw.com/GlobalFinancialDataProject.

WHAT ARE THE SETTLEMENT BENEFITS?

The Settlement creates a Settlement Fund in the total amount of up to \$695,000. Of the total Settlement Fund, \$375,000 shall be allocated amongst the Settlement Class Members and Class Representatives. The Settlement Fund shall be paid in the following order:

- Payment for general releases and services provided by Class Representatives. Each Class Representative shall be refunded their \$2,413 course fee and shall, subject to Court approval, receive an incentive payment not to exceed a combined total of \$20,000, split amongst the Class Representatives;
- (2) Any award of attorneys' fees and costs as approved by the Court to Class Counsel under the Settlement Agreement, which amount is not to exceed \$300,000;
- (3) Cash benefits to the Settlement Class Members who submit a valid and legitimate Claim Form shall be eligible to receive a portion of the remaining Settlement Fund (i.e. a portion of \$345,348) in accordance with the information provided below.

The Settlement Agreement gives priority to those Settlement Class Members who submit both a valid Claim and proof that he or she paid a "course fee" to enroll in the GFDP.

Accordingly, if the total amount of documented "course fees" paid by Settlement Class Members **is** equal to or greater than \$345,348, those Settlement Class Members who fail to submit documentation of any "course fee" will not receive any settlement payment, while those who do submit such documentation will receive a pro rata share of the remaining Settlement Fund, based on the amount he or she paid in comparison to the amounts paid by all other claimants.

If the total amount of documented "course fees" paid by Settlement Class Members is **less than** \$345,348, then the funds will be split as follows: all those who submitted proof of payment of a "course fee" will be entitled to a full refund of the amount paid, and pro rata split of any remaining funds; those who do not submit such proof will be entitled to receive a pro rata split of any funds remaining after the refunds of course fees have been allocated to the other claimants.

All disbursements to the Settlement Class Members shall be made in the order that the Valid Claim Forms were received by the Settlement Administrator. Under the Settlement Agreement, Defendants are required to make payments on an ongoing basis over no less than five years. Accordingly, those Settlement Class Members that submit a Valid Claim earlier, will be eligible to receive payment earlier, following the final approval of the Settlement by the Court.

Additionally, the Parties have agreed that Defendants will provide certain assurances that they will fully perform their obligations under the Settlement Agreement, including making all settlement payments in a timely manner. Specifically, upon final approval of the Settlement by the Court, Defendants have agreed to do the following: (1) Defendant Plehn-Dujowich will execute a stock pledge and security agreement pledging 50,000 shares of Series A1 Preferred Stock and 100,000 shares of Series A2 Preferred Stock in Powerlytics, Inc. to the Settlement Administrator, for the benefit of the Settlement Class; and (2) Defendants will stipulate to entry of a final judgment of \$1,000,000 which will be entered by the Court in the event that Defendants default on any obligation under the Settlement Agreement. In the event Defendants default on any Settlement obligation, and funds are collected through the sale of the shares or enforcement of the stipulated judgment, such funds will be distributed to Class Representatives, Class Counsel, and the Settlement Class pursuant to the Settlement Agreement and as directed by the Court.

The Parties have filed certain portions of the Settlement Agreement under seal with the Court. Any Settlement Class Member wishing to review the sealed portions of the Settlement Agreement may do so by requesting access from the Settlement Administrator and agreeing to maintaining the confidentiality of all material sealed by the Court.

HOW DO I GET BENEFITS AND WHEN ARE THE CLAIM FORMS DUE?

In order to receive monetary benefits under this Settlement, Settlement Class Members should submit a Claim Form to Class Counsel, which is also serving as the Settlement Administrator. Claim Forms must be submitted or postmarked by **December 20, 2019**, and may be submitted online via the Settlement Website <u>www.dhillonlaw.com/GlobalFinancialDataProject</u>, or by mail to the Settlement Administrator at:

DHILLON LAW GROUP INC.

Harmeet K. Dhillon, Esq. Krista L. Baughman, Esq. Gregory R. Michael, Esq. 177 Post Street, Suite 700 San Francisco, CA 94108 United States of America Telephone: +1 (415) 433-1700 Facsimile: +1 (415) 520-6593 Email: GFDPsettlement@dhillonlaw.com; Settlement Website: www.dhillonlaw.com/GlobalFinancialDataProject

To receive a payment, you must submit a timely Claim Form with information or documentation sufficient to establish that you participated in the Global Financial Data Project and/or paid a course enrollment fee for the same, and comply with the instructions set forth in the Claim Form. All benefits will be paid out in the order claims forms are received by the Settlement Administrator. If you have any questions regarding the claim submissions process please contact the Settlement Administrator.

WHAT RIGHTS AM I GIVING UP TO RECEIVE SETTLEMENT BENEFITS?

Unless you timely exclude yourself ("opt-out") from the Settlement, you will remain in the Settlement Class. If the Settlement is approved and becomes final, you will not be able to sue Defendants regarding the legal claims that were litigated in this case, but you will be eligible to receive benefits from this Settlement if you submit a valid and timely Claim. The specific rights you are giving up are called "Released Claims."

WHAT ARE THE RELEASED CLAIMS?

As of the Effective Date of the Settlement Agreement, the Class Representatives and Settlement Class Members (the "Releasing Parties"), each on behalf of himself or herself and on behalf of his or her respective heirs, assigns, beneficiaries, and successors, shall automatically be deemed to have fully and irrevocably released and forever discharged the Defendants (and the successors, agents, and assigns) of and from any and all liabilities, rights, claims, actions, causes of action, demands, lawsuits, arbitrations,

damages, penalties, costs, attorneys' fees, losses, and remedies, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, that result from, arise out of, are based upon, or relate to in any way any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in this Action, or which could have been alleged in this Action, including, without limitation, all liabilities, rights, claims, actions, causes of action, demands, lawsuits, arbitrations, damages, penalties, costs, attorneys' fees, losses, and remedies, or remedies relating to, based upon, resulting from, or arising out of the facts and circumstances giving rise to the Action, as set forth in the First Amended Complaint in the Action. A copy of the First Amended Complaint is available on the Settlement Website at www.dhillonlaw.com/GlobalFinancialDataProject.

This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims, including, but not limited to alleged violations of the California Labor Code (except for the provisions relating to workers' compensation and Section 2802) or Business and Professions Code (*e.g.*, 17200 *et seq.*), or the federal Fair Labor Standards Act, and the Private Attorney General Act ("PAGA") (Labor Code section 2699 *et seq.*), all wage claims, and all claims for attorneys' fees, costs and expenses. Class Representatives and the Settlement Class Members expressly waive his, her, and their right to recovery of any type, including damages, in any administrative or court action, whether state or federal, and whether brought by any Party or on its behalf, related in any way to the matters released herein.

With respect to the Released Claims, each Settlement Class Member shall be deemed to have waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of California Civil Code section 1542 (and equivalent, comparable, or analogous provisions of the laws of the United States of America or any state or territory thereof, or of the common law or civil law). Section 1542 provides that:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

By failing to exclude themselves from the settlement, Settlement Class Members acknowledge and agree that the Settlement Class Members' Settlement Awards constitute payment in full of any and all amounts allegedly due to them in connection with all of the claims for wage and hour and payroll practice violations asserted in the Action. In light of the foregoing, Settlement Class Members shall be deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Parties hereto. That section provides in pertinent part as follows:

An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.

The release does not extend to claims which by law cannot be released by private agreement, such as claims for worker's compensation or unemployment benefits.

Upon the Court's final approval of the Settlement, the Settlement Class Members shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against any of the Defendants or based on any actions taken by any of the Defendants that are authorized or required by the Settlement Agreement or by the Court's order approving the Settlement.

None of the above releases include releases of claims arising from a breach of the Settlement Agreement, or otherwise affect the Parties' rights to enforce the terms of the Settlement Agreement. The Settlement Agreement, available at <u>www.dhillonlaw.com/GlobalFinancialDataProject</u> contains additional information about Released Claims.

HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

Settlement Class Members have the right to request exclusion from (i.e., "opt out" of) the Settlement Class by sending a written request for exclusion to the Settlement Administrator postmarked by **December 20, 2019**. Written requests for exclusion from the Settlement Class must be submitted (by mail or email) to Class Counsel:

DHILLON LAW GROUP INC.

Harmeet K. Dhillon, Esq. Krista L. Baughman, Esq. Gregory R. Michael, Esq. 177 Post Street, Suite 700 San Francisco, CA 94108 United States of America Tele: +1 (415) 433-1700 Fax: +1 (415) 520-6593 GFDPsettlement@dhillonlaw.com;

Requests for exclusion must include: (a) the case name and case number of the Action (*Hu, et al. v. Plehn-Dujowich, et al.*, Case No. 3:18-cv-01791-EDL); (b) the Settlement Class Member's legal name, address, telephone number, and, if available, an email address; (c) a statement that the Settlement Class Member wishes to exclude himself or herself from the Settlement Class; and (d) the Settlement Class Member's signature. No request for exclusion will be valid unless it complies with these requirements.

A person wishing to exclude themselves from the Settlement Class may do so by completing and following all instructions set forth in the Opt-Out Form available on the Settlement Website, <u>www.dhillonlaw.com/GlobalFinancialDataProject</u>.

Persons falling within the definition of the Settlement Class who validly and timely request exclusion from the Settlement Class shall not be Settlement Class Members, shall not be bound by the Settlement and shall not be eligible to make a Claim for any benefit(s) under the terms of the Settlement.

HOW DO I OBJECT TO THE SETTLEMENT?

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no

settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

Any Settlement Class Member who intends to object to the Settlement Agreement must do so in writing, no later than **December 20, 2019**. In order to object, the Settlement Class Member (or his or her attorney) must file with the Court and provide a copy to Class Counsel and Defendants' Counsel, a hand signed document that includes:

- (a) the case name and number (Hu, et al. v. Plehn-Dujowich, et al., Case Number 3:18-cv-01791-EDL);
- (b) the legal name, address, telephone number, and email address (if any) of the person objecting, and if he/she is represented by counsel, the same contact information for his/her counsel;
- (c) specify in writing each objection and the grounds for each objection, accompanied by any legal support for the objection;
- (d) whether he/she intends to appear at the Final Approval Hearing, either with or without counsel;
- (e) a statement sufficient to establish his/her membership in the Settlement Class, including all information required by the Claim Form;
- (f) A detailed list of any other objections submitted by the Settlement Class Member, and/or his/her counsel, to any class actions submitted in any court, whether state or federal, in the United States in the previous five (5) years. If the Settlement Class Member or his/her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he/she shall affirmatively state so in the written materials provided in connection with the objection to this Settlement Agreement;
- (g) any and all agreements that relate to the objection or the process of objecting, whether written or verbal, between Objector or Objector's counsel and any other person or entity; and
- (h) the Objector's signature on the written objection (an attorney's signature is not sufficient).

Any objection must be sent to the Court, Class Counsel, and Defendants' Counsel at the following addresses:

Court	Class Counsel/Settlement Administrator	Defendants' Counsel
Class Action Clerk United States District Court, Northern District of California 450 Golden Gate Avenue San Francisco, CA 94102 United States of America	DHILLON LAW GROUP INC. Harmeet K. Dhillon, Esq. Krista L. Baughman, Esq. Gregory R. Michael, Esq. 177 Post Street, Suite 700 San Francisco, CA 94108 United States of America GFDPsettlement@dhillonlaw.com;	Loren Kieve, Esq. KIEVE LAW OFFICES 2655 Steiner Street San Francisco, CA 94115 United States of America lk@kievelaw.com

DO I NEED TO HIRE A LAWYER IF I JOIN THIS CASE?

No. The attorneys for the Plaintiffs who brought this case have been appointed "Class Counsel," as well as "Settlement Administrator," to represent the interests of all those who participate in this lawsuit. If you have any questions, you may contact Class Counsel listed below.

DHILLON LAW GROUP INC.

Harmeet K. Dhillon, Esq. Krista L. Baughman, Esq. Gregory R. Michael, Esq. 177 Post Street, Suite 700 San Francisco, CA 94108 United States of America Telephone: +1 (415) 433-1700 Facsimile: +1 (415) 520-6593 Email: harmeet@dhillonlaw.com; kbaughman@dhillonlaw.com; gmichael@dhillonlaw.com

If you participate in this Class Settlement, you will not be required to pay attorneys' fees or expenses to Class Counsel; Class Counsel's attorneys' fees and costs will be in an amount determined by the Court and paid by Defendants. Class Counsel will make a motion for attorneys' fees and costs, seeking an award of fees, costs, and expenses, which the Court will then consider at a final approval hearing, on **February 11, 2020**. Class Counsel will file the motion for fees on or before November 18, 2019, and post a copy of the motion papers on the Settlement Website. If you choose to hire a different lawyer, you may do so at your own expense.

All persons who do not exclude themselves from ("opt-out" of) the Settlement Class will have a right to object to any motion for attorneys' fees. If you want to object to any such motion, you must file a written objection with the Court stating with particularity the basis for the objection.

WHEN WILL THE COURT DECIDE FINAL APPROVAL OF THE SETTLEMENT?

The Court will hold a hearing at 9:00 a.m. on **February 11, 2020**, at the United States District Court for the Northern District of California located at 450 Golden Gate Ave., Courtroom E, San Francisco, CA 94102 (the "Final Approval Hearing") to decide whether to grant final approval of the Class Settlement. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and will also consider Class Counsel's application for an award of attorneys' fees and expenses, and the proposed service awards to the Class Representatives. Settlement Class Members are welcome to attend the Final Approval Hearing, but attendance is not necessary for them to receive their benefits under the Settlement. The Settlement will not become final until the Court grants final approval of the Settlement and any appeals have been resolved.

The date and time of the Final Approval Hearing may change without further notice. You may verify the time and date of the hearing by contacting Class Counsel, checking the Settlement Website, or through the Court's Public Access to Court Electronic Records (PACER) system at https://ecf.cand.uscourts.gov.

WHAT IF I HAVE QUESTIONS?

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at <u>www.dhillonlaw.com/GlobalFinancialDataProject</u>, by contacting Class Counsel at GFDPsettlement@dhillonlaw.com, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at https://ecf.cand.uscourts.gov, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, located at 450 Golden Gate Ave., San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

Additionally, for more information, you may visit the Settlement Website at <u>www.dhillonlaw.com/GlobalFinancialDataProject</u>, where you will find the operative First Amended Complaint, as well as copies of this Notice, the Claim Form, and the Opt-Out form.

DO NOT DIRECT QUESTIONS TO THE COURT

The mailing of this Notice to you was authorized by the United States District Court for the Northern District of California. **Do not contact the Court or the Clerk's Office for more information.** If you have questions, contact Class Counsel.