

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO

If you paid a Late Payment Charge to Verizon California or Frontier California for residential landline service, a class action settlement may affect your rights.

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

- Deanna Gastelum and Heather Bryden, on behalf of themselves and all others similarly situated, have sued Frontier California Inc. (formerly known as Verizon California Inc.) (“Defendant”), alleging that Defendant’s Late Payment Charges (“LPCs”) for its **residential landline telephone** customers are unlawful contractual penalties under California Civil Code § 1671(d), and that Defendant, in charging and collecting them, violated California consumer protection statutes.
- The Court has allowed the lawsuit to go forward as a class action on behalf of all persons who Defendant assessed a Late Payment Charge or an Erroneous Late Payment Charge that was paid from **December 1, 2008, through February 21, 2018 (“Settlement Class Period”)**.
- “Late Payment Charge” or “LPC” means the late payment charge that Defendant assessed its residential telephone customers (excluding customers receiving either voice-over-internet-protocol telephone service or “FiOS” telephone service) in California in the amount of the greater of \$2.50 or 1.5% of past due balances of \$20 or greater.
- “Erroneous Late Payment Charge” means the late payment charge that Defendant imposed on its California residential telephone customers (excluding customers receiving either voice-over-internet-protocol telephone service or “FiOS” telephone service) at the rate of the greater of \$9.00 or 1.5% of past due balances of \$20 or greater, beginning on July 10, 2017, and continuing for approximately five weeks thereafter.
- The class described above is called the “Settlement Class.” The parties have proposed a settlement (“Settlement”). The Court has not decided whether the claims have any merit.
- The Settlement makes a Settlement Fund of **\$10.6 million** (less approximately \$1,098,829.00 in costs and awards) available to the Settlement Class Members. Only “Authorized Claimants,” as defined below, will be entitled to recover. “Authorized Claimants” are Settlement Class members who are either (1) current customers of Defendant as of June 21, 2018 (60 days after dissemination of Notice) (“Current Customers”) or are not Current Customers but file a timely and valid Claim Form as set forth below. The amount of money to be paid to each Authorized Claimant will depend on the number of LPCs and/or Erroneous Late Payment Charges he or she paid, and on the total number of claims submitted. Overall, it is estimated that the average payout to the Settlement Class Members will be approximately **\$4.71**, assuming all eligible claims are submitted.
- During the Class Period, the Settlement Class paid approximately \$45 million in LPCs. Class Representatives believe it is unlikely the Class could recover this amount because (1) recovery was limited to LPCs attributable to residential landline services, which are estimated to have been approximately \$18 million, and (2) Defendant was entitled to recover its actual damages caused by late payment, which they contend includes costs associated with collecting late payments.
- Your legal rights are affected, and you have a choice to make now. Please review the following page to inform yourself of your options in this lawsuit.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

**(CURRENT CUSTOMERS AS OF JUNE 21, 2018)
DO NOTHING**

Stay in the lawsuit. Await the outcome. Give up certain rights. If the settlement is approved by the Court, you may be eligible for a payment of money under the settlement.

By doing nothing, you remain a part of the Settlement Class. But, you give up any rights to sue Defendant separately about the same legal claims that were brought or could have been brought in the lawsuit.

If you fall within the definition of the Settlement Class and, as of June 21, 2018, and you are a current customer of Defendant (“Current Customer”), you are eligible to receive a portion of the settlement fund if the settlement is approved, without filing a claim form. That refund will be a credit on one of your future Frontier bills.

<p>(FORMER CUSTOMERS) SUBMIT A CLAIM FORM BY JUNE 21, 2018</p>	<p><i>If you fall within the definition of the Settlement Class, but as of June 21, 2018, you are no longer a landline telephone customer of Defendant (“Former Customer”), you will need to file a claim form to be eligible to receive a portion of the settlement fund. The claim form must be filed electronically or postmarked by June 21, 2018. <u>Claim forms are available online at www.lpcsettlement.com, along with instructions about how to submit them.</u></i></p>
<p>SUBMIT AN OBJECTION BY JUNE 21, 2018</p>	<p>If you do not exclude yourself from the Settlement Class, you may object to the Settlement, class counsel’s request for an award of attorney’s fees and/or the proposed allocation of the net settlement fund. Any such objection must be accompanied by evidence (phone number and name associated with account) that you were charged and paid an LPC to Defendant, and must be mailed to the Settlement Administrator and postmarked on or before June 21, 2018. The address of the Settlement Administrator is listed below.</p>
<p>ASK TO BE EXCLUDED BY JUNE 21, 2018</p>	<p>Get out of the lawsuit. Get no benefits from it. Keep rights. If you ask to be excluded, you won’t share in any of the money recovered in the settlement. But, you will keep any rights to sue Defendant separately about the same legal claims in this lawsuit. Any request to be excluded must be mailed to the Settlement Administrator and postmarked on or before June 21, 2018. The address of the Settlement Administrator is listed below.</p>

- **Any questions? Read on, or visit www.lpcsettlement.com or contact class counsel at info@bursor.com. Do not contact the Court, Frontier California or Verizon California.**

BASIC INFORMATION

1. Why did I get this notice?

If you received this notice by email, you may have received residential landline telephone service from Defendant and been assessed one or more LPCs imposed by Defendant for such service from December 1, 2008, up through February 21, 2018. This notice explains that the Court has allowed, or “certified,” a class action lawsuit that may affect you and that there is a settlement pending in the case. You have legal rights and options that you may exercise. Judge Curtis E.A. Karnow of the Superior Court of California, County of San Francisco, is overseeing this class action. The lawsuit is known as *Gastelum v. Frontier California, Inc.*, Case No. CGC-11-511467.

2. What is this lawsuit about?

The lawsuit claims that Defendant violated California consumer protection laws and other state laws by imposing LPCs. The suit seeks to recover monetary damages, restitution, and injunctive and other relief.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” sue on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” One court resolves the issues for everyone in the Class – except for those people who choose to exclude themselves from the Class. The company sued in this case, Frontier California Inc. (formerly known as Verizon California Inc.), is called the Defendant.

4. Who are the Class Representatives?

The Class Representatives for the Settlement Class are Deanna Gastelum and Heather Bryden.

5. Why is this lawsuit a class action?

The Court decided that this lawsuit and the settlement, if approved, can be a class action on behalf of the Settlement Class because it meets the requirements of California Code of Civil Procedure § 382 and California Civil Code § 1781, which govern class actions in California state courts.

More information about why the Court is allowing this lawsuit to be a class action is in the Court's Order Granting Preliminary Approval of Settlement, issued February 21, 2018, which is available at www.lpcsettlement.com.

6. What are the claims in this lawsuit?

In this lawsuit, the Plaintiff alleges, on behalf of the Settlement Class, that Defendant's LPCs are unlawful contractual penalties under California Civil Code § 1671(d), and that in charging and collecting them, Defendant violated the California Consumers Legal Remedies Act (Civil Code §§ 1750 et seq.), the California Unfair Competition Law (Bus. & Prof. Code §§ 17200 et seq.), among other provisions of law. You can read the Plaintiffs' Third Amended Complaint at www.lpcsettlement.com.

7. How does Defendant answer?

Defendant denies all wrongdoing and denies the Plaintiffs' allegations. It contends that all of its actions have been legal and proper. Defendant has also asserted a cross-claim against the Plaintiffs seeking to recover its actual damages. You can read Defendant's Answer and Second Amended Cross-Complaint at www.lpcsettlement.com.

8. Has the Court decided who is right?

The Court has not decided who is correct – Plaintiffs or Defendant. By issuing this notice, the Court is not suggesting that the Settlement Class would have won or lost this case or that Defendant committed any wrongdoing. This Notice is to inform you about the settlement.

9. What are the terms of the settlement?

The settlement provides for the following relief:

- (a) Defendant will create a settlement fund of \$10.6 million ("Settlement Fund"). After deductions for the costs of notice to the class and administration of the settlement (other than internal costs of Defendant which will be borne by Defendant), Class Representatives' incentive awards (if authorized by the Court), and reimbursement of attorney's costs and expenses (if authorized by the Court), the remainder of this money will be distributed to (i) Settlement Class Members who were landline telephone customers of Defendant at some point during the Settlement Class Period but, as of June 21, 2018, are no longer ("Former Customers"), and who submit a valid and timely claim form; and (ii) Settlement Class Members who, as of June 21, 2018, are current landline telephone customers of Defendant ("Current Customers"). Distributions to Former Customers will be in the form of checks or, at the option of the Claimant, credits to his or her Paypal or Zelle account. Due to the expense of issuing and sending checks, no check will be issued for less than \$1.00. However, credits for recoveries of less than \$1.00 will be issued to Paypal or Zelle accounts. Distributions to Current Customers will be in the form of credits on future bills from Defendant; provided, however, that the Court may, by further order, adjust the manner in which payment is made to certain Settlement Class Members to better facilitate the delivery of settlement funds to those who are entitled to receive them.

(b) Defendant will submit to an injunction restricting it from charging residential Late Payment Charges exceeding the greater of \$1.30 or 1.5% of outstanding balance (the "Injunction") for two years. Furthermore, the injunction will provide that Defendant shall, as soon as reasonably possible, credit the bills of all Settlement Class Members on whom it assessed an erroneous late payment charge of the greater of \$9.00 or 1.5% by the difference between the amount so assessed and the LPC applicable to that Settlement Class Member at a rate of the greater of \$2.50 or 1.5%, and to send either checks or prepaid debit cards for such amount to the last known addresses of such persons whose accounts are no longer active as of the time such credits are distributed. Such credits and checks are separate from, and in addition to, the Settlement Fund established in 9(a) above

(c) Defendant will contribute up to \$3.9 million in cash, separate and apart from the Settlement Fund, to pay Class Counsel's attorney's fees attributable to the Injunction, if and to the extent awarded by the Court.

The benefits conferred by the Settlement are explained in greater detail in the Settlement Agreement, which is available at www.lpcsettlement.com. All capitalized terms contained in this notice have the same meaning as contained in the Settlement Agreement.

10. How will the net proceeds of the Settlement Fund be distributed?

The net proceeds of the Settlement Fund (“Claimant’s Fund”) will be allocated and distributed pursuant to Plan of Allocation which is Article X of the Second Amended Stipulation of Settlement, available at www.lpcsettlement.com.

Under the Plan of Allocation, we will calculate Current and Former Customers’ share of the settlement this way: we will take the amount you paid in Late Payment Charges between December 1, 2008 and February 21, 2018 and divide that by the total amount of Late Payment Charges all claimants paid for that period.

Current Customers will automatically receive their money as a credit to their bill with Defendant.

If you are a Former Customer, we will send that sum to you unless (A) it's less than a \$1.00 and (B) you asked for the money to be mailed to you. If you asked for an electronic payment by PayPal or Zelle, we'll send you the money even it is under a \$1.00.

There will be no distribution to Former Customers who fail to submit a valid and timely claim form. The Settlement Administrator’s determination of the amounts to be paid to each Authorized Claimant shall be final and conclusive.

The Plan of Allocation also provides that unpaid residual amounts remaining in the Settlement Fund after all Court-authorized payments have been made, including without limitation the amounts representing checks uncashed by their payee Settlement Class Members, may be redistributed to Authorized Claimants. In the event Class Counsel and the Court determine that such redistribution is not administratively feasible, the remainder may be paid, pursuant to California Code of Civil Procedure § 384, to the following recipients:

- 25% to the “Trial Court Improvement and Modernization Fund” of the State of California Treasury;
- 25% to the Equal Access Fund of the Judicial Branch of the State of California; and
- 50% to CASA of Los Angeles. CASA of Los Angeles provides legal representation to foster children in the Los Angeles area. Class Counsel determined that a significant portion of the Settlement Class resides in the Los Angeles area and thus the cy pres distribution directly serves the Class communities.

During the process of final approval of the Settlement, the Court may approve a different cy pres beneficiary than those identified above.

11. Is there any money available now?

No money or benefits are available now because the Court has not yet decided whether to approve the settlement. If the settlement is approved, Settlement Class Members who are Former Customers may become eligible to share in the Settlement Fund by submitting a valid and timely Claim Form, which is available at www.lpcsettlement.com. Settlement Class Members who are Current Customers do not need to submit a proof of claim form to be eligible to share in the Settlement Fund.

WHO IS IN THE CLASS

You need to decide whether you are affected by this lawsuit.

12. Am I a Member of the Settlement Class?

You are a Settlement Class Member if Defendant assessed you a Late Payment Charge or an Erroneous Late Payment Charge that was paid from **December 1, 2008, through February 21, 2018**.

“Late Payment Charge” means the late payment charge that Defendant assessed its residential telephone customers (excluding customers receiving either voice-over-internet- protocol telephone service or “FiOS” telephone service) in California in the amount of the greater of \$2.50 or 1.5% of past due balances of \$20 or greater.

“Erroneous Late Payment Charge” means the late payment charge that Defendant imposed on its California residential telephone customers (excluding customers receiving either voice- over-internet-protocol telephone service or “FiOS” telephone service) at the rate of the greater of \$9.00 or 1.5% of past due balances of \$20 or greater, beginning on July 10, 2017, and continuing for approximately five weeks thereafter.

THE FAIRNESS HEARING

13. When Will The Court Decide Whether To Approve The Settlement?

The Court will determine whether to approve the settlement at a fairness hearing to be held on July 20, 2018 at 9:00 a.m. at the San Francisco County Superior Court, Department 304, 400 McAllister St., San Francisco, CA 94102 (the "Fairness Hearing").

14. What Else Will Be Decided At The Fairness Hearing?

At the Fairness Hearing, the Court will also decide whether to approve the Class Representatives' incentive awards of not more than \$10,000 each and Class Counsel's application for an award of attorney's fees and litigation expenses. Class Counsel will ask the Court to approve an award of attorney's fees and litigation expenses to them, if the Settlement is approved, consisting of (a) not more than \$3.9 million for attorney's fees, separate and apart from the Settlement Fund paid by Defendant and, in addition, (b) not more than \$400,000.00 in litigation costs and expenses to be paid from the Settlement Fund. Members will not be required to pay any portion of Class Counsel's attorney's fees or expenses out of their own pockets.

YOUR RIGHTS AND OPTIONS

You have to decide whether or not to stay in the Settlement Class and participate in the Settlement, and you have to decide this now.

15. What happens if I do nothing at all?

If you do nothing, you will remain a member of the Settlement Class. If you are a member of the Settlement Class and you are a Current Customer, you will automatically be eligible to receive a share of the Settlement Fund, net of any costs of notice and administration, incentive awards, and reimbursement of litigation expenses deducted from the Settlement Fund. If you are a member of the Settlement Class and you are a Former Customer, you must submit a valid and timely proof of claim form, on or before June 21, 2018 to potentially share in the net Settlement Fund.

Keep in mind that if you do nothing now and the Settlement is approved, you will not be able to sue or continue to sue Defendant, as part of any other lawsuit, about the same legal claims that are the subject of the claims asserted in this lawsuit on behalf of the Settlement Class. You will also be legally bound by all of the orders or judgments the Court may issue in this case.

16. Why would I ask to be excluded?

If you are a member of the Settlement Class and you already have your own lawsuit against Defendant regarding LPCs and want to continue with it, you need to ask to be excluded from the Settlement Class. If you exclude yourself from the Settlement Class – which also means to remove yourself from the Settlement Class, and is sometimes called "opting-out" of the Settlement Class – you won't get any money or benefits from the Settlement. However, you may then be able to sue or continue to sue Defendant over LPCs. If you exclude yourself, you will not be legally bound by the Court's orders or judgments regarding the Settlement Class's claims in this lawsuit.

17. How do I ask the Court to exclude me from the Class?

To ask to be excluded from the Settlement Class, you must send a letter, postmarked by June 21, 2018, to *Gastelum v. Frontier California Inc.*, P.O. Box 404041, Louisville, KY 40233-4041, stating that you want to be excluded from the Settlement Class in the *Gastelum v. Frontier California, Inc.* Be sure to include your name, address and telephone number, and sign the letter.

18. How Can I Assert an Objection?

If you are a member of the Settlement Class and you do not exclude yourself from it as described in this Notice, you may object to the Second Amended Stipulation of Settlement, to Class Counsel's application(s) for attorney's fees, costs, expenses and/or incentive awards, or to the entry of the proposed Final Approval Order.

For such an objection to be considered by the Court you must send a letter, postmarked by June 21, 2018, to P.O. Box 404041, Louisville, KY 40233-4041, containing your written statement of the specific objections, and evidence (phone number and name associated with account) identifying yourself as a Settlement Class Member.

It will be sufficient to provide the phone number and last name of your account with Defendant to verify your status as a Settlement Class Member. Please provide your contact information to allow the Class Representatives to serve any response to objections, or to provide notice of scheduling changes.

Only Settlement Class Members who make this a submission shall be entitled to be heard at the Final Approval Hearing.

Class Counsel:

L. Timothy Fisher
Bursor & Fisher, P.A.
1990 North California Blvd., Suite 940
Walnut Creek, CA 94596
Telephone: (925) 300-4455

Defendant's Counsel:

Zachary Briers
Munger, Tolles & Olson LLP
350 South Grand Avenue Thirty-Fifth Floor
Los Angeles, CA 90071-1560
Telephone: (213) 683-9100

THE LAWYERS REPRESENTING YOU

19. Is there a lawyer representing me in this case?

The Court appointed the law firms of Bramson, Plutzik, Mahler & Birkhaeuser, LLP, and Bursor & Fisher, P.A., of Walnut Creek, California, and the Law Offices of Reich Radcliffe & Hoover LLP, of Newport Beach, California, to represent the Plaintiffs and all Settlement Class Members in this case. Together the law firms are called "Class Counsel." More information about these law firms, their practices, and their lawyers' experience is available at www.bramsonplutzik.com, www.bursor.com, and www.reichradcliffe.com.

21. Should I get my own lawyer?

If you choose to remain in the Settlement Class, you do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will be responsible for paying that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

22. Who is the lawyer representing Defendant?

Defendant is represented by Munger, Tolles & Olson LLP, 350 South Grand Avenue, 50th Floor, Los Angeles, CA 90071.

GET MORE INFORMATION AT WWW.LPCSETTLEMENT.COM

23 Are more details available?

For more information, visit the website, www.lpcsettlement.com, where you will find the contact information for Class Counsel, the Third Amended Complaint, Defendant's Answer and Cross-Claim, the Second Amended Settlement Agreement, and all papers and all orders filed in connection with all preliminary approval motions. Moreover, all papers filed in connection with final approval of the settlement, and fee and expense application(s) will also be posted promptly to the website. You may also contact Class Counsel by writing to: *Gastelum v. Frontier California, Inc.*, P.O. Box 404041, Louisville, KY 40233-4041. Please do not contact the Court or Defendant regarding this Notice or the lawsuit itself.

By Order of the Honorable Curtis E.A. Karnow, Judge of the Superior Court of California.