

# L I C H T E N & L I S S - R I O R D A N , P. C.

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February 26, 2016

Dear Family Dollar manager or former manager:

This notice is to inform you of a proposed class action settlement in *Premo v. Family Dollar Stores of Massachusetts, Inc.*, Worcester Superior Court, Civ. A. No. 13-cv-0702-C, and *Ebian-Pesa v. Family Dollar Stores of Massachusetts, Inc.*, Suffolk Superior Court, Civ. A. No. 15-CV-01962-B. These cases were brought on behalf of all Family Dollar salaried store managers classified as exempt from state overtime requirements who worked at any time as a Massachusetts exempt store manager from April 26, 2010 through February 11, 2016. Plaintiffs allege Family Dollar misclassified its store managers as exempt from overtime pay, in violation of the Massachusetts Overtime Law, Mass. Gen. L. ch. 151 § 1A.

Family Dollar denies that it engaged in any wrongdoing and denies that its practices violated any law. Nonetheless, Family Dollar has agreed to settle these lawsuits to avoid the expense, inconvenience, and distraction of further litigation. Family Dollar's records indicate that you are a class member eligible to participate in the settlement. The settlement is conditional upon final approval by the court.

The total amount of the proposed settlement is \$2,650,000. Subject to court approval, one-third of this amount will be used to pay attorneys' fees, and up to \$15,000 will be used for costs incurred by counsel for bringing and prosecuting the lawsuit. In addition, the two lead plaintiffs who initiated these cases will receive incentive payments in the amount of \$15,000 each to compensate them for their time and effort in pursuing the lawsuits on behalf of their co-workers. After the deduction of the above amounts and the expenses for administering the settlement and the payment of all payroll taxes, the remainder of the settlement fund will be distributed to members of the settlement class. Distribution of the settlement fund will be made in proportion to the company's records regarding the total number of hours worked by and the most recent salary received by each class member during

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the time period covered by the settlement, however all members of the class will receive a minimum payment of at least \$50. The parties anticipate that settlement class members will receive a settlement payment by May 2016, assuming that the court timely approves the settlement. Uncashed settlement checks will be given to a charity as a *cy pres* fund; provided that if the amount of uncashed checks exceeds 15 percent of the total amount made available to class members, the amount will be redistributed to class members who have cashed their settlement checks. Thus, no portion of the settlement fund will revert to Family Dollar; it will all be distributed. One half the payment that class members receive will be taxable as income and the remaining half will be considered non-wages.

We believe that this proposed settlement is fair, reasonable, and adequate, based on our analysis of the potential damages that could be obtained at a trial in this case and extensive experience we have litigating other similar cases. There is always uncertainty in litigation, and even if one side wins there is the potential for long delays in final resolution because either side may initiate appeals that must be decided by a higher court. Further, obtaining certain payment now has substantial benefit. Therefore, we have concluded that, overall, the benefits of this settlement are considerable and outweigh the risks of continuing with further litigation.

There will be a court hearing on April 6, 2016, at 2 pm, at Suffolk Superior Court, Courtroom 314, located at 3 Pemberton Square, Boston, MA 02108. At this hearing, the presiding judge will consider whether or not to approve the settlement. If this settlement is approved by the court, you will be bound by it and will not be permitted to pursue separate claims against Family Dollar that were or could have been pursued in the lawsuits. The release provision of the settlement agreement is attached as an addendum to this notice.

When the effective date for the settlement is reached, the execution of the Agreement by plaintiffs' counsel will effectuate these release provisions to which each settlement class member is bound, even if each such person does not endorse or negotiate a settlement check. You cannot exclude yourself from the settlement, however, you are free to object to the settlement. If the settlement is not approved by the court, the lawsuit will continue and may take additional months or years to complete, which may then bind you. If you object to the proposed settlement, you must send a written objection to the Court and to counsel of record for the parties, including plaintiffs' counsel at the address listed below. All objections must be received no later than March 28, 2016. You may also attend the hearing on April

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6, 2016, but in order to raise an objection, you must timely submit it in writing to the Court and to counsel for the parties. In the future, you will be precluded from asserting, and will fully release and waive, any claims that were or could have been asserted under state or federal law against Family Dollar arising from employment as provided in the attached release.

This notice only summarizes the lawsuit, the settlement, and related matters. For more information about the settlement, or if you have any questions regarding the settlement, contact the settlement administrator at:

Family Dollar Stores Settlement  
c/o Garden City Group  
P.O. Box 35100  
Seattle, WA 98124-1100

Or you may contact plaintiffs' counsel at:

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Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Liss-Riordan". The signature is fluid and cursive, with the first name being the most prominent.

Shannon Liss-Riordan  
Richard Hayber

## Waiver And Release

1. Plaintiffs, on behalf of themselves, the settlement class (except any settlement class member who decides to opt out of the settlement), and their respective heirs, descendants, dependents, executors, administrators, successors, and assigns, fully and finally release and discharge Family Dollar from all claims and rights of any kind that they may have, whether known or unknown, whether contingent or non-contingent, whether specifically asserted or not, arising through the date of the order finally approving the settlement that are based on the alleged misclassification of current and former Family Dollar store managers working in Massachusetts under the Massachusetts Payment of Wages law, G.L. c. 149, and Massachusetts Minimum Wage law, G.L. c. 151, the Fair Labor Standards Act, the Employee Retirement Income Security Act, and other federal, state, and local laws, including all wage and hour, common, tort, and contract laws, that were or could have been asserted based upon the alleged facts in the complaints, including, but not limited to, all claims for penalties, liquidated or multiple damages, attorney's fees, interest, and litigation costs. These released claims do not include claims for disability, workers compensation, retaliation, or discrimination.
2. In addition to the above, plaintiffs, on their own behalf and on the behalf of their respective descendants, dependents, administrators, executors, heirs and assigns, fully and finally release and discharge Family Dollar from any and all claims and rights of any kind that plaintiffs may have, whether now known or unknown, arising from their Family Dollar employment and separation through the date of final approval of this Agreement by the Court. These claims and rights released include, but are not limited to, claims under Title VII of the Civil Rights Act of 1964; 42 U.S.C. § 1981; the Equal Pay Act; the Americans with Disabilities Act; the Age Discrimination and Employment Act; the Family Medical Leave Act; the Fair Labor Standards Act; sections 503 and 504 of the Rehabilitation Act of 1973; Employee Retirement Income Security Act; the Workers' Adjustment and Retraining Notification Act, as amended; the Occupational Safety and Health Act; Massachusetts Fair Employment Practices Act, Mass. Gen. Laws ch. 151B §§ 1-10 et seq.; and any state laws, including all human rights, employment, retaliation and discrimination laws, any other federal, state, and local fair employment, common law, whistleblower statute, tort, and contract law, including fraudulent inducement to enter into this Agreement and all claims for attorney's fees. Plaintiffs represent that they know of no claim that has not been released by this paragraph, and have not filed any other lawsuit or administrative charges against Family Dollar.
3. Nothing in this Agreement will be considered a waiver of any claims by settlement class members that may arise after the date the Agreement is finally approved by the Court.
4. The parties acknowledge that the above waivers and releases were separately bargained for and are a material element of the Agreement.
5. By endorsing their settlement check, settlement class members will be deemed to have released their released claims. When the effective date is reached, execution of the Agreement by class counsel will effectuate the release provisions herein to which each settlement class member are bound, even if each such person does not endorse or negotiate a settlement check. Nonetheless, each settlement check will contain an endorsement that states by signing this check the settlement class member waives all state and federal claims that are set forth in the Agreement.