

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

ZURI OSTERHOLT and MICHELLE BENIKOV on)	
behalf of themselves and all other similarly situated)	
persons,)	
)	
Plaintiffs,)	
)	
v.)	No.: 1: 16-cv-05089
COREPOWER YOGA, LLC,)	
)	
Defendant,)	

NOTICE OF SETTLEMENT

The purpose of this Notice is to inform you that a proposed settlement (“Settlement”) in the above-captioned case (“Lawsuit”) has been reached by the parties and has been granted preliminary approval by the Court supervising this Lawsuit. Please see below for a description of the Lawsuit, the terms of the Settlement, and a description of your rights and options in connection with the Settlement. If the Settlement is finally approved, it will resolve all claims in the Lawsuit and claims that could have been brought in the Lawsuit. A hearing on the Settlement will be held, and is currently scheduled for September 3, 2019 at 9:30 a.m., to determine whether the Settlement should be granted final approval by the Court.

**YOUR LEGAL RIGHTS ARE AFFECTED EVEN IF YOU DO NOTHING.
PLEASE READ THIS NOTICE CAREFULLY.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT		DEADLINE
DO NOTHING	Receive a payment equal to your proportional share of the Settlement calculated pursuant to Question 7 of this Notice and give up your legal rights to pursue federal and state law claims.	N/A
ASK TO BE EXCLUDED	Receive <i>no</i> payment from the Settlement. This is the only option that allows you to participate in any other lawsuit against CorePower Yoga, LLC relating to the claims in this Lawsuit.	August 31, 2019
OBJECT	Write to the court if you don’t like the Settlement.	August 31, 2019
GO TO A HEARING	Speak in Court about the fairness of the Settlement.	September 3, 2019 (subject to rescheduling)

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BASIC INFORMATION

1. Why is there a Notice?

A Court authorized this Notice because you have a right to know about the Settlement of this class and collective action lawsuit and about all your options before the Court decides whether to give final approval to the Settlement. This Notice explains the Lawsuit, the Settlement, and your legal rights.

2. What is the Lawsuit about?

The Lawsuit alleges that individuals who worked for CorePower Yoga, LLC as interns and instructors were not paid minimum wages due to CorePower’s companywide policy of compensating its interns and instructors for time in the studio, but failing to compensate for several outside-the-studio responsibilities. Defendant denies these claims.

Judge Manish Shah of the United States District Court for the Northern District of Illinois is overseeing this case. This litigation is known as *Osterholt, et al. v. CorePower Yoga, LLC*, No. 16-cv-05089. The individuals who brought this suit are called the “Plaintiffs.” CorePower Yoga, LLC is the “Defendant.”

3. Why is this a class and collective action?

In class and collective actions, one or more people called “Class Representatives” sue on behalf of themselves and other people with similar claims. All of these people together are the “class and collective members.” In this case, the Class Representatives are Zuri Osterholt and Michelle Benikov. One court resolves the issues for all class and collective members, except for those who exclude themselves.

4. What is the difference between Plaintiffs’ “class” and “collective” claims?

Class and collective actions are similar, and the distinction is mostly procedural. Here, Plaintiffs’ *class action* claims were brought pursuant to Illinois and Chicago labor law and apply to all individuals who worked for Defendant as interns and instructors in Illinois and Chicago from May 10, 2013 through May 20, 2019 – excluding those individuals who affirmatively opt-out of the Settlement. Upon final approval of the Settlement, Illinois and Chicago interns and instructors will receive their share of the Settlement, resolving their Illinois, Chicago, and FLSA claims, unless individuals exclude themselves from the Settlement.

Plaintiffs’ *collective action claims* were brought under federal law, specifically the Federal Labor Standards Act (“FLSA”). As you may recall, notice of these claims was previously sent to all individuals who worked for Defendant as interns and instructors – in any state – on August 24, 2017. At that time, collective members were given the opportunity to join Plaintiffs’ Lawsuit. 1,176 individuals opted to join the Lawsuit and will receive their share of the Settlement upon final approval, which will resolve their FLSA claims. Since these individuals have already affirmatively opted-in to the Lawsuit, there is no opt-out procedure for them.

5. Why is there a settlement?

By agreeing to settle, both sides avoid the cost and risk of continuing litigation, including the risk that class and collective members will receive nothing. The Class Representatives and their attorneys think the Settlement is best for all class and collective members. The Settlement does not mean that Defendant did anything wrong.

THE SETTLEMENT BENEFITS

6. What does the Settlement provide?

Under the terms of the Settlement, Defendant will pay \$1,492,500.00 to settle the Lawsuit (“Total Settlement Fund”). Defendant also acknowledges the substantial benefits provided to class and collective members through the policy changes instituted since the time this action was filed.

From the Total Settlement Fund, the Court has preliminarily approved cash payments to class and collective members (“Settlement Awards”), service fees to the Class Representatives, service fees to class and collective members who answered formal discovery, the costs to administer the Settlement, and Plaintiffs’ attorneys’ fees. More details are available in a document called the Settlement Agreement, which is available in the “Case Documents” page of the settlement website – www.Corepower-Settlement.com.

7. How will my payment be calculated?

Each individual Service Award will be calculated according to a formula agreed-to by the parties. By utilizing Defendant’s payroll and class schedule records, Settlement Awards will be based on the number of weeks you may have worked as an intern or instructor during the relevant class period, the number of classes taught per week during the relevant class period, and the minimum wages provided in your respective claim. More details are available in a document called the Settlement Agreement, which is available on in the “Case Documents” page of the settlement website - www.Corepower-Settlement.com.

8. When will I receive my payment?

Class and collective members will receive their payments via mail after the Court grants final approval to the Settlement and after any appeals are resolved (*see* “The Final Approval Hearing“ below). If there are appeals, resolving them can take time. Please be patient.

9. What are the taxes on my payment?

Your payment shall be treated as 50% wages and 50% non-wage income and shall be reported on IRS Form W-2 and Form 1099 respectively for the tax year in which the payments are made. The appropriate withholdings will be deducted from the wages, and you will be responsible for any taxes due on the non-wage income. Defendants will pay the employer’s portion of all federal and state withholdings required by law.

10. What happens if I do not cash my settlement check?

You will have 90 days to cash your settlement check. Any remaining uncashed funds will be donated to a charity agreed upon by the parties.

11. What am I giving up to stay in the Class?

Unless you exclude yourself from the Settlement, you will give up your right to sue Defendant for the claims being resolved by the Settlement. The specific claims you are giving up against the Defendant are described in Section 3.6 of the Settlement Agreement and specifically include claims for violation of the Fair Labor Standards Act, Illinois Minimum Wage Law, and the Chicago Minimum Wage Ordinance. You will be “releasing“ Defendant and all related people as described in the Settlement Agreement. The Settlement Agreement is available in the “Case Documents” page of the settlement website - www.Corepower-Settlement.com.

If you have any questions about what this means, you can talk to the law firm listed in Question 17 for free or you can, of course, talk to your own lawyer.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement and want to keep the right to sue Defendant about the issues in this case, then you must take steps to get out of the Settlement. This is called excluding yourself or “opting-out.“

12. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must mail a statement to the Settlement Administrator, stating:

- Your name, address, and telephone number;
- The words “I elect to exclude myself from the settlement in *Osterholt v. CorePower Yoga LLC*“; and
- Your signature.

You must mail your opt-out statement, postmarked no later than **August 31, 2019**, to:

Osterholt v. CorePower Yoga Administrator
P.O. Box 404041
Louisville, KY 40233-4041

13. If I do not exclude myself, can I sue CorePower Yoga, LLC for the same thing later?

No, unless you exclude yourself, you give up the right to sue CorePower for the claims that this Settlement resolves.

14. If I exclude myself, can I still get a payment?

No. You will not get a payment if you exclude yourself from the Settlement.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court if I do not like the Settlement?

You can object to the Settlement if you do not like some part of it, and the Court will consider your views. To object you must submit a letter that includes the following:

- Your name, address, and telephone number;
- The words “I object to the settlement in *Osterholt v. CorePower Yoga LLC*”;
- The reasons for your objection, along with any supporting materials;
- Whether you intend to appear at the Final Approval Hearing (*see* Questions 19-21); and
- Your signature

You must mail your objection by **August 31, 2019** to:

Osterholt v. CorePower Yoga Administrator
P.O. Box 404041
Louisville, KY 40233-4041

16. What is the difference between objecting and asking to be excluded?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you do not exclude yourself from the Lawsuit. Excluding yourself is telling the Court that you do not want to be part of the Lawsuit. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in the case?

Yes. The Court appointed the following law firm as “Class Counsel”:

Hart McLaughlin & Eldridge, LLC
Steven A. Hart, Brian Eldridge, and Carter D. Grant
22 West Washington, Suite 1600
Chicago, IL 60602
Telephone: 312-955-0545
Website: www.hmelegal.com

You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys’ fees of up to 40% of the Settlement, plus expenses. The Court will decide the amount of fees to award. Class Counsel will also request special service payments for the Class Representatives, and for the collective action opt-ins who sat for deposition or answered Defendant’s opt-in discovery, for the services and assistance they provided to the class, collective, and Class Counsel in prosecuting this action.

THE FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement and any requests for fees and expenses. You may attend and you may ask to speak, but you do not have to.

19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing, which is currently scheduled for **9:30 a.m. on September 3, 2019**, at the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check in with Class Counsel and the Settlement website - www.Corepower-Settlement.com. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them and will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know long these decisions will take.

20. Do I have to attend the hearing?

No. Class Counsel will answer questions the Court may have. But you or your own lawyer may attend at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also have your own lawyer attend, but it is not necessary.

21. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must include that information in your objection as described in Question 15.

GETTING MORE INFORMATION

22. How do I get more information?

This Notice summarizes the Settlement. More details are available in the Settlement Agreement. You can get a copy of the Settlement Agreement in the “Case Documents” page of the settlement website - www.Corepower-Settlement.com.

PLEASE DO NOT CONTACT THE COURT, THE JUDGE, COREPOWER, OR COREPOWER’S ATTORNEYS WITH QUESTIONS REGARDING THIS MATTER.