

**NOTICE OF CLASS ACTION SETTLEMENT***in***RAINBOW ESOP LITIGATION***Hurtado, et al. v. Rainbow Disposal, Inc. et al, Case No. 17-cv-1605-JLS-DFM (C.D. Cal.)***Please read this notice carefully and completely.****If you are a member of the Class, the settlement will affect your legal rights.****A federal court has authorized this notice.****This is not a solicitation from a lawyer.****You have not been sued.**

The parties to this class action have reached a proposed settlement and the Court has preliminarily approved the Settlement. The Settlement will provide for a payment to Class Members based on the number of shares of Rainbow Disposal, Inc. stock in their Rainbow Disposal Co. Inc. Employee Stock Ownership Plan (“ESOP”) account as of the date the shares were sold in the October 2014 Transaction.

This notice summarizes the Settlement and informs you of your rights under the Settlement. The complete Settlement Agreement, and other information about this lawsuit, are available at [www.RainbowESOPLawsuit.com](http://www.RainbowESOPLawsuit.com) or by contacting Class Counsel listed below.

**Under the proposed Settlement, your estimated payment will be <<EstAward>>, based on <<ESOPShares>> shares allocated to your ESOP stock account as of September 30, 2014. This is ONLY an estimate. The amount you receive may differ from the estimate, depending on the award of attorneys’ fees, and costs as determined by the Court.**

Your settlement payment will be deposited into the Republic 401(k) Plan. The ESOP has been terminated and settlement payments cannot be made through the ESOP. If you already participate in the Republic 401(k) Plan, your settlement payment will be put into your existing account. If you do not already participate in the Republic 401(k) Plan, an account will be created for you. Once the settlement proceeds are in the Republic 401(k) Plan, you will receive a distribution election packet in the mail. You can elect to rollover your settlement payment to an Individual Retirement Account (“IRA”) or another eligible retirement plan, or receive a cash distribution (less tax withholding). If you do not elect to take a distribution, your settlement proceeds will be invested according to your investment instructions or if you have not provided any, into the default investment option of the Republic 401(k) Plan.

<b>SUMMARY OF YOUR LEGAL RIGHTS &amp; OPTIONS</b>	
<b>ALL MEMBERS OF THE CLASS</b>	<p><b>OPTION #1: DO NOTHING NOW, BUT LATER CHOOSE A DISTRIBUTION OR HAVE YOUR MONIES REMAIN IN THE 401(K) PLAN</b> If You received this Notice your settlement payment will be transferred to the Republic 401(k) Plan. You may then elect to take a rollover or receive a distribution of your account from the Republic 401(k) Plan in accordance with the terms of the Republic 401(k) Plan or provide instructions about how to invest your settlement monies (if you want to leave the money in the 401(k) Plan). If you do not currently have an account in the Republic 401(k) Plan, one will be created for you and if you do not provide other instructions, the monies will be invested in the default investment option for the Plan.</p>
	<p><b>OPTION #2: SUBMIT A CHALLENGE TO THE DATA.</b> If you believe that the data about your shares is incorrect OR you believe that you are a class member but did not receive personalized notice sent to you, you can submit information explaining why the data needs to be corrected or why you are a Class Member. You need to submit this challenge by April 30, 2021 at the address listed below.</p>
	<p><b>OPTION #3: OBJECT.</b> If you are not satisfied with the terms of the proposed Settlement, then you or your attorney may inform the Court by sending a letter or written statement by April 30, 2021 at the address listed below.</p>
	<p><b>YOU ARE ABLE TO CHOOSE MORE THAN ONE OPTION: If you object or challenge data, you may still request a distribution or provide instructions about the investment of your settlement proceeds. .</b></p>

## BASIC INFORMATION

### What Is This Case About?

The lawsuit is a class action on behalf of certain participants and beneficiaries in the ESOP alleging claims under the Employee Retirement Income Security Act (“ERISA”). The lawsuit challenges certain business practices which allegedly negatively impacted the value of the ESOP; the failure to allow all ESOP participants to vote on the sale of the ESOP to Republic Services, Inc. (“Republic”); the conduct of certain individual defendants who allegedly negotiated the terms of the sale to Republic and received certain payments that the Complaint alleged were prohibited under ERISA; the value of stock sold by the ESOP in the sale to Republic; the process by which that valuation was approved; and the manner in which certain funds belonging to ESOP participants were invested after the sale of the ESOP stock to Republic. The lawsuit also alleges that the price paid to the ESOP participants and beneficiaries was less than fair market value. Defendants<sup>1</sup> deny any liability and have vigorously defended the lawsuit. A detailed description of the claims is contained in the Second Amended Complaint, which is available on the following website: [www.RainbowESOPLawsuit.com](http://www.RainbowESOPLawsuit.com)

### What is a Class Action?

A class action is a lawsuit in which the claims and rights of many people are decided in a single court case. One or more representatives known as “class representatives” file a lawsuit asserting claims on behalf of the entire class. The “Class Representatives” in this case are Antonio Hurtado, Christopher Ortega, Jose Quintero, Maritza Quintero, Jorge Urquiza, and Maria Valadez. The Class Representatives are five former employee participants in the ESOP, and one named beneficiary of a former employee participant in the ESOP.

### Who is a Member of the Class?

The Court defined the “Class” as follows:

All persons who were vested participants in the Rainbow Disposal Co., Inc. Employee Stock Ownership Plan as of October 1, 2014 and the beneficiaries of any such participants.

Excluded from the Class are the following: Defendants and persons who were named fiduciaries of the Rainbow Disposal Co., Inc. Employee Stock Ownership Plan, who are alleged in this action to have engaged in prohibited transactions or breaches of corporate fiduciary duties, or who had decision-making or administrative authority relating to the administration, modification, funding, or interpretation of the Rainbow Disposal Co., Inc. Employee Stock Ownership Plan,

---

<sup>1</sup> Defendants in this case are Rainbow Disposal Co., Inc., Employee Stock Ownership Plan Committee; Gerald Moffatt; Jeff Snow; Gregory Range; Jon Black; Catharine Ellingsen; Bill Eggleston; Michael Huycke; Myndi Kort; GreatBanc Trust Company; Rainbow Disposal Co. Inc., Republic Services Inc. The Rainbow Disposal Co., Inc. Employee Stock Ownership Plan was a “nominal defendant,” which means the ESOP was included for technical reasons, but the Plan itself is not alleged to have done anything wrong.

or who had such authority relating to the decision to sell assets of the Rainbow Disposal Co., Inc. Employee Stock Ownership Plan on or about October 1, 2014.

If you meet the definition of the Class and are not excluded as set forth above, you are a member of the Class.

### **Why Did I Get This Notice?**

You received this Notice because the Court ordered that Notice be provided to the participants and beneficiaries of the ESOP whose ESOP shares were purchased by Republic in 2014. You were identified from Rainbow's and Republic's records as a potential member of the Class. The purpose of this Notice is to provide you with information about the Settlement and your rights, including your right to object to the Settlement, before the Court decides whether to approve the Settlement.

## **THE PROPOSED SETTLEMENT**

### **What Are the Terms of The Settlement Agreement?**

The Settlement requires Defendants to pay \$7.9 million (the "Settlement Amount") to resolve all of the claims of the Class against all Defendants arising from the sale of the ESOP to Republic in October 2014 and claims following the October 2014 Transaction before the ESOP was terminated. After deduction of any Court-approved attorneys' fees and costs and any Court-approved service awards to the Class Representatives, the net settlement amount will be distributed to the Class pursuant to a Court-approved distribution formula called the "plan of allocation."

### **What Will Be My Share of the Settlement?**

The "Net Settlement Amount"—which means the Settlement Amount less attorneys' fees, expenses and service awards—will be divided among Class Members according to a plan of allocation that is subject to Court approval. Class Counsel have proposed that the plan of allocation should be based on each Class Member's number of ESOP shares as of the date of the sale of the ESOP shares to Republic as compared to the total amount of shares belonging to all Class Members. Republic purchased 3,673,620 shares (or 100% of the shares) from the ESOP Trust pursuant to the sale; however, some of those shares belong to persons who are excluded from receiving any funds in connection with the settlement of the lawsuit. Your estimated settlement allocation is listed on the first page of this Notice, but is subject to change based on determinations made by the Court. The Net Settlement proceeds will be placed into the Class members' Republic 401(k) Plan accounts no later than 30 days following the date of the transfer of the Net Settlement Amount to the Republic 401(k) Plan (which will occur after the date the Court's order granting final approval becomes non-appealable).

### **What Do I Give Up As a Result of the Settlement?**

In exchange for the settlement payment, the Class, as participants or beneficiaries in the ESOP, will release (i.e. give up) any and all claims against Defendants and related persons and entities arising out of their duties, responsibilities, acts, or omissions in connection with the sale of the ESOP shares to Republic Services, Inc. on October 1, 2014, the investment of ESOP assets after the transaction and disclosures made by Defendants regarding the Transaction. The full terms of the Settlement, including the release, are available at [www.RainbowESOPLawsuit.com](http://www.RainbowESOPLawsuit.com). If the

Settlement is finally approved, the Court will enter an order dismissing with prejudice all claims against the Defendants and preventing any Class members from suing Defendants in the future on the released claims.

### **Can the Settlement be Terminated?**

The Settlement may be terminated under several circumstances, including if the Court does not approve the terms of the Settlement. If this occurs, the lawsuit will proceed as if the Settlement had not existed. The Settlement will not be final until after the Court has granted final approval of the settlement and any appeals (i.e. objections) have been resolved (or the time to file all appeals has passed). The earliest that the Settlement will be final is 30 days after the Final Approval Hearing, but it may be later than that. Your patience is appreciated.

### **Why Did the Parties Reach This Settlement?**

In deciding to settle the lawsuit, Class Counsel reviewed hundreds of thousands of relevant documents, conducted 20 depositions, and retained experts to analyze the potential amounts owed to the Class in the case. Class Counsel also considered the strength of the claims and defenses and likely arguments by Defendants, the expense, length and likely delay of further litigation, and the risks arising from the existence of unresolved questions of law and fact.

The Court denied Defendants' Motion to Dismiss and ruled that Plaintiffs had the right to pursue their legal claims; however, the Court did not rule on the merits of any claims. The Court also granted Plaintiffs' Motion for Class Certification. However, if the parties had not reached a settlement and Defendants had prevailed on certain of their defenses or on their appeal, then the Class could have recovered nothing. If, however, the lawsuit had continued and Plaintiffs prevailed, Defendants may have been liable for more than the Settlement Amount. Even if Plaintiffs were successful, Class Counsel was concerned that some of the Defendants would not have sufficient assets to pay a judgment (i.e. the amount that the Court determined was owed to Class).

Following the Court's ruling on the Motion for Class Certification, and significant discovery, the parties agreed to participate in a mediation. A settlement was reached only after two days of mediation with a mediator experienced in ESOP cases. The Settlement is a compromise of disputed claims. Defendants disputed all of the claims in the lawsuit and asserted various legal defenses. All parties – Plaintiffs, Class Counsel, Defendants and Defendants' counsel -- determined that given the uncertainty and risks inherent in litigation, it is best to settle the case on the terms set forth in the Settlement Agreement.

This is only a summary of the Settlement. For its complete terms, interested persons are encouraged to contact Class Counsel (contact information provided below), view information about the case and the Settlement at [www.RainbowESOP Lawsuit.com](http://www.RainbowESOP Lawsuit.com), or review the Settlement Agreement on file with the Clerk of the Court.

### **How Do I Receive my Payment?**

The Net Settlement Amount will be transferred to the Republic 401(k) Plan after the Court grants final approval to the Settlement and the Settlement is no longer subject to any appeals (that will be *at least* 30 days after the final approval hearing, but may be longer).

The Republic 401(k) Plan Administrator will re-activate or establish new 401(k) accounts for Class members who are not then-participants in the Republic 401(k) Plan. Each Class member's settlement allocation in the Republic 401(k) Plan will be invested according to his or her current investment election for new contributions under the Republic 401(k) Plan or an instruction that the Class member has submitted about investment of these settlement proceeds. If a Class member does not have an investment election for new contributions on file with the Republic 401(k) Plan Administrator, then the Class Member's settlement allocation will be invested in the Republic 401(k) Plan's default investment.

You will be able to request a rollover or distribution of your settlement payment from your account consistent with the terms of the Republic 401(k) Plan. You will receive an election packet from Vanguard, the third-party administrator for the Republic 401(k) Plan within 30 days after the Republic 401(k) Plan receives the money from the settlement. You will have the choice of taking a distribution of your settlement payment or directing the Republic 401(k) Plan Administrator to rollover your settlement payment into an IRA or another employer-sponsored qualified retirement plan. You will not be charged any administrative fees for the distribution or rollover of your settlement allocation, but if you take a distribution it may be subject to tax withholding. If you decide to keep your settlement proceeds in the Republic 401(k) Plan, those proceeds will be subject to the same investment and administrative fees as charged to other participants in the Republic 401(k) Plan.

### **How Do I Choose the Form of Payment?**

You have the option to request a distribution or a rollover of your settlement payment from your account in the Republic 401(k) Plan. You can request a rollover to an IRA or another employer-sponsored qualified retirement plan if you choose. **Your election distribution package will be sent to you by Vanguard after the Republic 401(k) Plan receives the money from the settlement (which will be at least 30 days after the Court enters the Final Approval Order, but will be longer if there are appeals or objections to the Settlement).**

If you do not return the distribution election form that you will receive from Vanguard your settlement payment will remain in the Republic 401(k) Plan subject to the terms and conditions of the Republic 401(k) Plan, and the 401(k) Plan Administrator will invest your settlement allocation consistent with your investment instructions or the investment of your other Republic 401(k) Plan assets.

If you do not have a Republic 401(k) Plan account, an account will be established for you.

You should consult with your tax and financial advisor regarding whether to take a distribution or roll the settlement payment over to an IRA or to another retirement plan.

## **THE LAWYERS REPRESENTING YOU**

### **Do I Have a Lawyer in this case?**

Yes. The Court has appointed the following law firms to serve as attorneys for the Class:

<p><b><u>Co-Lead Class Counsel:</u></b>  R. Joseph Barton  BLOCK &amp; LEVINTON LLP  1735 20th Street NW  Washington, D.C. 20009  Telephone: (202) 734-7046  <a href="mailto:Rainbowesoplawsuit@blockesq.com">Rainbowesoplawsuit@blockesq.com</a></p>	<p><b><u>Co-Lead Class Counsel:</u></b>  Joseph A. Creitz  CREITZ &amp; SEREBIN LLP  100 Pine Street, Suite 1250  San Francisco, CA 94111  Telephone: 415-466-3090  <a href="mailto:joe@creitzserebin.com">joe@creitzserebin.com</a></p>
---	--

### **How Will the Lawyers be Paid?**

Class Counsel have worked on this case for over three years and have not yet been paid for their time. In prosecuting this case on behalf of the Class, Class Counsel investigated the facts, interviewed witnesses, obtained deposition testimony from witnesses, attended court hearings, reviewed documents produced in discovery, took depositions, prepared legal pleadings, and participated in a mediation session and subsequent negotiations. To date, Class Counsel have expended over 3,420 hours in this case and have advanced over \$ 199,400 in out-of-pocket expenses on behalf of the Class, including paying for depositions and expert witnesses. Class Counsel anticipate that they may incur additional expenses of approximately \$26,000. Class Counsel will apply to the Court for an award of fees, not to exceed 30% of the Settlement Amount. Class Counsel will also seek reimbursement of their actual costs and expenses, not to exceed \$275,000. The Motion for Attorneys' Fees, Litigation Costs and Expenses, and Class Representative's Enhancement Award will be available for review on the website maintained by the Administrator or via PACER, and that Class Members may object to the fees motion by the same deadline as their general objections to the Settlement are due

Any Class Member who objects to the request by Class Counsel for payment of these attorneys' fees and costs or the request by class representative payments may state that objection in writing and may appear at the Court's fairness hearing, as set forth below. Class Counsel will file a Motion for Attorneys' Fees, Litigation Costs and Expenses, and Class Representative's Enhancement Award no later than April 15, 2021, 15 days before the date by which you must object to the settlement's terms. Whether or not you submit a written objection, you are not required to appear at the hearing.

### **THE COURT'S FAIRNESS HEARING**

#### **When Will the Court Hold the Fairness Hearing?**

On May 21, 2021, at 10:30 a.m. Pacific Time, Judge Staton will hold a hearing in her courtroom at the United States District Courthouse in Santa Ana, California:

Ronald Reagan Federal Building and United States Courthouse  
411 W. Fourth St.  
Santa Ana, CA, 92701  
Courtroom 10A, 10th Floor

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, whether and in what amount to award Class Counsel with attorneys' fees and reimbursement of expenses and the Class Representatives with service awards. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the Settlement,

and award attorneys' fees and expenses. We do not know how long the Court will need in order to make these decisions.

The time and date of this hearing may change, so please contact Class Counsel or check [www.RainbowESOP Lawsuit.com](http://www.RainbowESOP Lawsuit.com) prior to the date of the hearing if you plan to attend.

### **Do I Have to Attend or Can I Attend the Fairness Hearing?**

You do not have to attend the hearing. Class Counsel will present the Settlement to the Court and answer any questions the Court may have. If you file a written objection, you are *not* required to attend the hearing in order for your objection to be considered by the Court.

You may come to the hearing at your own expense. You may also arrange for your own separate counsel to attend on your behalf (and at your own expense). You may also ask the Court for permission to speak at the hearing. To ensure that the Court will allow you to speak, you should send a “**Notice of Intention to Appear at Fairness Hearing in *Hurtado, et al., v. Rainbow Disposal Inc., et al., Case Number 17-cv-1605-JLS-DFM*”** to Class Counsel and/or the Settlement Administrator at the addresses listed above no later than 14 days prior to the final fairness hearing date. Be sure to include your name, address, telephone number, and signature.

## **HOW TO PROCEED**

### **How Do I Tell the Court What I Think About the Settlement?**

Any class member can comment on the Settlement or tell the Court that you do not agree with the Settlement or some part of it, including the motion for attorneys' fees and expenses or the service awards to Class Representatives. To object, you must send a letter or other written statement with your objection.

**Any written objections must be sent to Class Counsel or the Settlement Administrator at the addresses listed above and must be postmarked no later than April 30, 2021.**

Be sure to refer to “*Hurtado, et al., v. Rainbow Disposal Inc., et al., Case Number 17-cv-1605-JLS-DFM.*” Include your name, address, telephone number, signature, and a full explanation of all the reasons you object to the Settlement. The Settlement Administrator or Class Counsel will submit your objection to the Court.

***If you do not object to the Settlement, or the request for attorneys' fees and costs, then you do not need to file any papers with the Court.***

### **How Do I Submit a Challenge to Correct My Data or Information?**

The data on which Class Counsel and the Settlement Administrator has identified class members and has preliminarily calculated the amount of shares is based on data received from the ESOP Plan Administrator.

If you think that certain information used to calculate your settlement payment is incorrect or that you are member of the Class (and have not received a personalized notice), you can submit a request to the Settlement Administrator explaining why Defendants' data is incorrect or why you are a member of the Class and are entitled to a payment. Along with your request, you should

submit any documentation necessary to support your request. You need to submit any such request or challenge to Defendants' data by no later than **April 30, 2021** to the Settlement Administrator at the following address:

Rainbow ESOP Lawsuit Settlement Administrator  
 c/o CPT Group, Inc.  
 50 Corporate Park  
 Irvine, CA 92606

If you need to update your mailing address, other contact information or provide any other updates, you should also contact the Settlement Administrator at the following address or telephone number.

### **Can I Opt Out of the Class?**

No. You do not have the right to exclude yourself from the Class or the benefits of the Settlement. The Lawsuit was certified as a mandatory ("non-opt-out") class action. As a Class Member, you will be bound by any judgments or orders that are entered in the Lawsuit for all claims that were or could have been asserted in the Lawsuit or are otherwise included in the release under the Settlement. Although you cannot opt out of the Settlement, you can object to the Settlement as described above.

## **GETTING MORE INFORMATION**

### **How Do I Get More Information?**

There are several types of information that You may want about the settlement:

**For Questions about Settlement Procedures, Forms & Administration of the Settlement, or the Information about You, Contact the Settlement Administrator:**

You may contact the Settlement Administrator at the following address, email or toll-free telephone number:

Rainbow ESOP Lawsuit Settlement Administrator  
 c/o CPT Group, Inc.  
 50 Corporate Park  
 Irvine, CA 92606

Email: [RainbowESOPSettlement@cptgroup.com](mailto:RainbowESOPSettlement@cptgroup.com)

Telephone (Toll Free): 1(888) 680-0534

You should contact the Settlement Administrator about any questions about the amount of your shares.

**For Questions about the Lawsuit or the Settlement Overall, Contact Class Counsel.**

There will be an online town hall meeting in English on April 24, 2021 at 11:00 a.m. pacific time, and an online town hall meeting with Spanish translation on April 25, 2021, at 1:00 p.m. pacific time. You can attend either meeting by requesting a link from Class Counsel by email at

[Rainbowesoplawsuit@blockesq.com](mailto:Rainbowesoplawsuit@blockesq.com). Please include your name and the date of the town hall meeting you would like to attend. More information about the Town Hall meeting is available on [www.RainbowESOPLawsuit.com](http://www.RainbowESOPLawsuit.com).

You may submit questions in advance of the Town Hall meeting to [RainbowESOPSettlement@cptgroup.com](mailto:RainbowESOPSettlement@cptgroup.com)

If you are unable to attend the Town Hall meeting or have questions that are not answered at the Town Hall meeting, you may also contact Class Counsel at address, emails or telephone numbers listed above.

**For Questions about the Republic 401(k) Plan, contact the Republic Services 401(k) Plan Administrator.**

If you need to correct or update your investment allocations in the Republic 401(k) Plan or have other questions about the Republic 401k Plan, contact the Plan Administrator at the following telephone number:

**Vanguard  
1-800-523-1188**

**Do not contact the Republic 401(k) Plan Administrator about the Settlement as they will not be able to answer questions about the Settlement.**

**How Do I Receive Any Updates and/or Update My Address?**

The best way to receive updates is to check the information on [www.RainbowESOPLawsuit.com](http://www.RainbowESOPLawsuit.com) before you contact Class Counsel. If your question is not answered on the website, contact either the Settlement Administrator or Class Counsel at the addresses, email addresses, or telephone numbers listed above.

**Please remember that there are several hundred class members so it will take a little while to process this settlement. Your patience is appreciated.**

If you need to provide an updated address information, please complete the form on [www.RainbowESOPLawsuit.com](http://www.RainbowESOPLawsuit.com) and email it to the Settlement Administrator at the following email address: [RainbowESOPSettlement@cptgroup.com](mailto:RainbowESOPSettlement@cptgroup.com) or the mailing address above.

**PLEASE DO NOT CALL THE COURT OR DEFENDANTS' COUNSEL  
WITH QUESTIONS REGARDING THIS NOTICE OR THE SETTLEMENT.**

<<FullName>>  
<<Address1>> <<Address2>>  
<<City>>, <<State>> <<Zip>>