

NOTICE OF PROPOSED COLLECTIVE ACTION SETTLEMENT

Visit the settlement website at <https://apexclassaction.com/keystone>

IN THE UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF TEXAS CASE NO. 4:24-cv-02263

If you worked as an Insurance Sales Agent for Keystone Advisors, LLC, between June 14, 2021, and July 17, 2024, you are entitled to a payment from a proposed collective action lawsuit settlement.

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

- A former Insurance Sales Agent (the “Plaintiff”) has sued Keystone Advisors, LLC (the “Keystone”), alleging that she is entitled to damages for alleged misclassification of its Insurance Sales Agents as 1099 independent contractors and the failure to pay proper overtime wages in violation of the Fair Labor Standards Act (“FLSA”). The Plaintiff filed the lawsuit including claims as a collective action under the FLSA. Keystone denies the Plaintiff’s allegations and disputes that anyone is entitled to any damages.
- To avoid the burden, expense, inconvenience, and uncertainty of continued litigation, the parties have concluded that it is in their best interests to resolve and settle the action by entering into a settlement agreement. Accordingly, the Plaintiff and Keystone have agreed to a settlement, the terms of which are set forth in the parties’ proposed Stipulated Collective Action Settlement Agreement, which has been preliminarily approved by the Court. Keystone has agreed to pay up to a maximum settlement amount of \$25,000.00 (the “Maximum Settlement Amount”) to be allocated among the Collective Members, as well as to pay attorneys’ fees, litigation costs, and the expenses of administering the settlement. The parties being released include Keystone and Keystone’s direct and indirect past, present, and future parents, affiliates, subsidiaries, partners, franchisors, divisions, predecessors, insurers, reinsurers, professional employment organizations, representatives, successors, and assigns, and their current and former employees, attorneys, officers, owners, members, managing directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries, both individually and in their business capacities (collectively, the “Released Parties”).
- Under the allocation formula created by the proposed settlement, if given final approval by the Court, you would be entitled to receive a pro-rata share of the settlement payment, which will be reported half on a W-2 and half on a 1099. This amount is based on a formula that takes into account the number of hours you worked over forty (40) in a workweek between June 14, 2021, and July 17, 2024 (the “Relevant Time Period”). As described more fully below in Section 8 of this Notice, to participate in the proposed settlement and receive a settlement payment upon final approval by the Court, **you must return a properly completed Consent to Join Form so that it is received by the Claims Administrator and postmarked no later than July 31, 2025.** If you fail to timely return a completed Consent to Join Form, you will not receive a settlement payment.
- Neither Counsel for the Plaintiffs nor Defendant make any representations concerning tax consequences of this settlement or participation in it, and you are advised to seek your own personal tax advice prior to acting in response to this Notice.
- Your legal rights may be affected. You have a choice to make:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
RETURN THE CONSENT TO JOIN FORM AND ASK TO BE INCLUDED	By timely returning a properly completed Consent to Join Form, you will agree to participate in the <u>proposed</u> FLSA settlement, release your claims, and receive a pro-rata settlement payment based upon the number of hours you worked over forty (40) in a workweek during the Relevant Time Period (subject to final approval from the Court). You will also release any wage and hour claims you may have against the Released Parties for the Relevant Time Period, including those under the FLSA. To receive a settlement payment, <u>you must submit your Consent to Join Form by email or U.S. Mail such that it is postmarked or otherwise received by July 31, 2025.</u>
EFFECT OF JOINING SUIT	If you choose to join the proposed settlement, you will be bound by any judgment and/or proposed settlement. The Plaintiff’s attorneys will receive a part of any money judgment/settlement entered in favor of the collective action.
DO NOTHING	If you do not return the Consent to Join Form, you retain your legal rights to bring a separate suit against Keystone (subject to and within the applicable statute of limitations period) for alleged unpaid overtime compensation. If wages are later awarded in this case, you will not share in them.
OBJECT	Write to the Court about why you do not like the settlement and comment about the fairness of the proposed settlement. If you would like to object to the proposed settlement, you must still submit a timely Consent to Join Form. If you want to object, <u>you must file with court and e-mail to Class Counsel your comments and objections by no later than August 16, 2025.</u>

- These rights and options, and the deadlines to exercise them, are explained in this notice.
- The Court in charge of this case still has to decide whether to grant final approval of the proposed settlement. Payments will be made if the Court later grants final approval of the proposed settlement and after any appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this notice?

Keystone's records state that you were employed by Keystone as an Insurance Sales Agent between June 14, 2021, and July 17, 2024. The Court ordered that you be sent this notice because you have a right to know about the proposed settlement of this collective action lawsuit, and about all of your options, before the Court decides whether to grant final approval of the proposed settlement. If the Court grants final approval of the proposed settlement and after objections and appeals are heard, payments will be mailed to collective members who submitted a Consent to Join Form. This notice explains the lawsuit, the proposed settlement, your legal rights, and what benefits are available.

The Court that conditionally certified and preliminarily approved this settlement is the United States District Court for the Southern District of Texas. This lawsuit is known as *Elizabeth Smith, on behalf of herself and all others similarly situated v. Keystone Advisors, LLC*, Case No. 4:24-cv-02263.

2. What is this lawsuit about?

This lawsuit is about whether Keystone violated the FLSA as a result of alleged misclassification of Insurance Sales Agents as 1099 independent contractors and failure to pay overtime wages to Insurance Sales Agents who worked more than forty (40) hours in any workweek between June 14, 2021, and July 17, 2024. Keystone denies that it did anything wrong.

3. What is a collective action?

In a collective action, one or more people called "Collective Representatives" sue on behalf of people who have similar claims. The people together are a "Collective" or "Collective Members." The employee who sued is called the Plaintiff. One court resolves the issues for everyone in the Collective – except for those who choose to exclude themselves from the Collective by not submitting a Consent to Join Form.

4. Why is there a settlement?

The Court did not decide in favor of either side. Both sides believe they would have prevailed in this case, but there was no decision ruling in favor of either party. Instead, both sides agreed to a proposed settlement. That way, if the proposed settlement is approved by the Court, they will all avoid the cost of a trial, the risk of losing, and the delay of litigating the case and of potential appeals, and the people affected will get compensation. The Named Plaintiff and her attorneys think the settlement is best for all Collective Members.

WHO IS IN THE PROPOSED SETTLEMENT

5. How do I know if I will be included in the settlement?

If you submit a timely Consent to Join Form, you will automatically be a member of the Settlement Collective. If the court grants final approval of the proposed settlement, you will be bound the final approval order approving the Stipulated Collective Action Settlement Agreement.

THE PROPOSED SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the proposed settlement provide?

Defendant has agreed to pay up to a total maximum amount of \$25,000.00 as a part of the proposed Stipulated Collective Action Settlement Agreement. This amount covers proposed settlement payments to participating Collective Members, Collective Counsel's attorneys' fees and costs, the mediator, and the costs of administering the proposed settlement.

7. How much will my payment be?

Based on the formula that has been preliminarily approved by the Court, and subject to final approval by the Court, you will be entitled to receive a pro-rata settlement payment based upon the number of hours you worked over forty (40) in a workweek during the Relevant Time Period, which would be reported half on a W-2 and half on a 1099. The allocation formula takes into account the number of hours worked by you in a workweek in excess of forty (40) during the Relevant Time Period. You may receive an amount up to the total amount of unpaid overtime wages owed to you depending on the number of overtime hours you worked and the amount of settlement class members who submit a Consent to Join Form. **In order to receive a settlement payment, you must timely return the Consent to Join Form.** A copy of the proposed Stipulated Collective Action Settlement Agreement is available on the settlement website at <https://apexclassaction.com/keystone>, or by sending a request, in writing, to the Claims Administrator at the address set forth in Section 8 below.

HOW YOU GET A PAYMENT

8. How can I get my payment?

In order to receive your payment, you must return a properly completed Consent to Join Form to the Claims Administrator postmarked or otherwise received by email by **July 31, 2025**. You must return your Consent to Join Form by U.S. mail or email, and may send it in the enclosed pre-paid envelope to:

APEX Class Action, LLC, P.O. Box 54668, Irvine, CA 92619, (800) 355 - 0700, or claims@apexclassaction.com

Receipt of any payment is also contingent on the Court granting final approval of the proposed Stipulated Collective Action Settlement Agreement. If you fail to submit a Consent to Join Form, then you will not receive any payment and you will not release any wage and hour claims against Keystone.

9. What am I giving up to get a payment?

If you choose to submit a Consent to Join Form, you will become a Settlement Collective Member. This means that you cannot sue, continue to sue, or be part of any other lawsuit against any of the Released Parties about the legal issues in this case, as well as any other wage and hour claims. It also means that all of the Court’s orders will apply to you and legally bind you. **You will not receive a payment unless you timely return a Consent to Join Form.**

EXCLUDING YOURSELF FROM THE PROPOSED SETTLEMENT

10. How do I exclude myself from the proposed settlement?

If you do not want a payment from this proposed settlement and you want to keep the right to sue or continue to sue any of the Released Parties on your own about the legal issues in this case, then you should not submit a Consent to Join Form.

If you do not submit a Consent to Join Form, you will not get any settlement payment. You will not be legally bound by anything that happens in this lawsuit. You may also be able to sue (or continue to sue) the Released Parties in the future about some of the legal issues in this case. If you wish to file an individual lawsuit against any of the Released Parties, you should speak to a lawyer as soon as possible because your claims are subject to a statute of limitations, which means that they will expire on a certain date.

11. If submit a Consent to Join Form, can I sue the Released Parties for the same thing later?

No. If you submit a Consent to Join Form, you give up any rights to sue the Released Parties for the same claims in this case, as set forth in the proposed Stipulated Collective Action Settlement Agreement, which are only released if you return a Consent to Join Form. If you have a pending lawsuit, speak to your lawyer in that case immediately to see if this settlement will affect your other case.

12. If I don’t submit a Consent to Join Form, can I get money from this settlement?

No. If you do not submit a Consent to Join Form by **July 31, 2025**, you will not receive any money from this lawsuit if granted final approval by the Court. But, you may sue, continue to sue, or be part of a different lawsuit against the Released Parties regarding these same claims. If you do not submit a Consent to Join Form, you will be deemed to have excluded yourself from the settlement and you will not receive a payment.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has decided that Jordan Richards and Michael Miller of USA Employment Lawyers – Jordan Richards, PLLC, and Joshua Eggnatz of Eggnatz Pascucci, P.A. are qualified to represent you and all Collective Members. These lawyers are called “Collective Counsel” or “Counsel for the Collective.” You will not be charged for these lawyers. You do not need to retain your own attorney in order to participate in the proposed settlement. If you do not submit a Consent to Join Form and want to be represented by your own lawyer, you may hire one at your own expense. Class Counsels’ contact information is below:

Jordan Richards	Joshua Eggnatz
Michael Miller	Eggnatz Pascucci, P.A.
USA Employment Lawyers –	7450 Griffin Road, Suite 230
Jordan Richards, PLLC	Davie, Florida 33314
1800 SE 10 th Ave. Suite 205	(954) 889-3359
Fort Lauderdale, Florida 33316	JEggnatz@JusticeEarned.com
954-871-0050	
jordan@jordanrichardspllc.com	
michael@usaemploymentlawyers.com	

14. How will the lawyers be paid?

Collective Counsel has requested, and the Court has preliminarily approved, a maximum payment of \$15,000.00 for attorneys’ fees and costs. Those fees compensate Collective Counsel for investigating the facts, litigating the case, and negotiating the proposed settlement. The cost of the Claims Administrator also will be deducted from the Maximum Settlement Amount.

Collective Class counsel must file their Fee Award Application by no later than July 31, 2025.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I don't like the proposed settlement?

If you are a Collective Member, you can object to the proposed settlement if you disapprove of any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views.

If you would like to object to the proposed settlement, you must still submit a timely Consent to Join Form. If you do not submit a timely Consent to Join Form, the court will not consider your comments or objection.

In order to object to the proposed Settlement, you must submit via email or U.S. Mail a written objection to the Claims Administrator and Class Counsel, postmarked no later than **August 16, 2025**. Any written objection must include the words "I object to the settlement in the Keystone Advisors overtime wage litigation." The written objection must include your name, email address, address, and telephone number, dates of employment at Keystone Advisors, LLC, and must be signed by you/the objector personally, and must state each specific reason in support of your objection and any legal support for each objection. Any reasons not included in the written objection will not be considered. You may also, but are not required to, submit any documents or writings that you would like the Court to consider.

If you submit a timely objection, you may also appear, at your own expense, at the Final Approval Hearing. However, to appear at the Final Approval Hearing in Court, you must first submit a "Notice of Intention to Appear at the Final Approval Hearing" no later than **August 16, 2025**, to the Claims Administrator and Class Counsel. You can represent yourself or appear through your own attorney. If you are appearing through counsel, your attorney must also file a "Notice of Appearance" with the Clerk of the United States District Court for the Southern District of Texas and deliver copies to all counsel of record. You may only appear in Court to speak about the fairness of the proposed settlement if you file a timely written objection to the proposed settlement. If you submit an objection but later change your mind, you may withdraw your objection at any time.

THE COURT'S FINAL APPROVAL HEARING

16. When and where will the Court decide whether to approve the proposed settlement?

The Court will hold a Final Approval Hearing to decide whether to grant final approval of the proposed settlement. If you wish to bring anything to the Court's attention about the proposed settlement, you must provide it in writing to the Claims Administrator according to Section 15 above.

The Court will hold a Final Approval Hearing on **October 20, 2025**, at **10:00 a.m.**, in Courtroom 9D of the United States Courthouse for the Southern District of Texas, 515 Rusk Street, Room 9110, Houston, TX 77002. At this hearing the Court will consider whether the proposed settlement is fair, reasonable, and adequate for purposes of granting final settlement approval. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the proposed settlement.

GETTING MORE INFORMATION

17. Are there more details about the proposed settlement?

This notice summarizes the proposed settlement. More details are in the proposed Stipulated Collective Action Settlement Agreement. If there are any discrepancies between this notice and the proposed Stipulated Collective Action Settlement Agreement, the proposed Stipulated Collective Action Settlement Agreement will control. You can get a copy of the proposed Stipulated Collective Action Settlement Agreement by sending a request, in writing, to the Claims Administrator at the address set forth in Section 8 above, or by visiting the settlement website at <https://apexclassaction.com/keystone>.

18. How do I get more information?

If you have other questions about the proposed settlement, you can contact the Claims Administrator or Collective Counsel.

You may also visit the settlement website at <https://apexclassaction.com/keystone>

THIS NOTICE WAS AUTHORIZED ON April 22, 2025, BY THE HONORABLE JUDGE ANDREW S. HANEN OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE

CONSENT TO JOIN FORM

Instructions: Fill out each section of this form and sign where indicated.

THIS CLAIM FORM MUST BE COMPLETED AND POSTMARKED OR E-MAILED TO THE SETTLEMENT ADMINISTRATOR BY: **July 31, 2025.**

First Name	Last Name
Street Address	City
State	Zip Code
E-Mail Address	Contact Phone Number
Apex ID (7 digits located on bottom right-hand corner of Notice)	

Settlement Collective Member Affirmation: By submitting this Consent to Join Form, I declare that I am a member of the Settlement Collective, which is defined as:

All Insurance Sales Agents employed by Defendant during the previous three (3) years who were allegedly misclassified as independent contractors and worked more than forty (40) hours in a workweek.

And that the following information is true and correct:

I am an individual who worked as an Insurance Sales Agent for Defendant between June 14, 2021, and July 17, 2024.

By signing below, pursuant to 29 U.S.C. § 216(b), I hereby “opt-in” and consent to make a claim against *Keystone Advisors, LLC*, as filed in Case No. 4:24-cv-02263. I hereby authorize the filing and prosecution of this Fair Labor Standards Act action on my behalf and designate Elizabeth Smith as collective representative to make decisions on my behalf concerning this litigation, the method and manner of conducting this litigation, the entering into an Agreement with Collective Counsel concerning attorneys’ fees and costs, settlement of the lawsuit, and all other matters pertaining to the lawsuit.

Upon the Court’s final approval of the proposed settlement, I understand that I hereby release and discharge Keystone Advisors, LLC and Keystone Advisors, LLC’s direct and indirect past, present, and future parents, affiliates, subsidiaries, partners, franchisors, divisions, predecessors, insurers, reinsurers, professional employment organizations, representatives, successors, and assigns, and their current and former employees, attorneys, officers, owners, members, managing directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries, both individually and in their business capacities (collectively, the “Released Parties”) from any and all wage and hour claims, suits, actions, controversies, demands, or causes of action, premised upon statute, contract, common law or otherwise, whether seeking liquidated or actual damages, penalties, specific performance, injunctive relief, attorneys’ fees, costs, interest or any other relief, against Defendant or other Releases that arise out of, relate to or are connected with the alleged violation of or non-compliance with the Fair Labor Standards Act (“FLSA”) or otherwise arising from the Defendant’s employment of the Collective Members from June 14, 2021 through July 17, 2024.

Signature: _____

Date: _____
(MM-DD-YY)

Printed Name: _____