

EXHIBIT B

«LastName»

SIMID «SIMID»

**THIS NOTICE AND ITS CONTENT HAVE BEEN AUTHORIZED BY THE UNITED STATES
DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA.**

THIS IS NOT AN ADVERTISEMENT FROM A LAWYER

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA

JESSICA CHITTUM, on behalf of herself and all
others similarly situated,

Plaintiff,

v.

Case No. 5:24-cv-00082-JHY-JCH

NATIONAL LUTHERAN INC. D/B/A NATIONAL
LUTHERAN COMMUNITIES & SERVICES and
THE LEGACY AT NORTH AUGUSTA, INC.,
Defendants.

**NOTICE OF SETTLEMENT OF CLASS AND COLLECTIVE ACTION
LAWSUIT, ALLOCATION, AND RELEASE**

TO: [Settlement Collective Member Name]
[Address Line 1]
[Address Line 2]
[Email and Phone]

WHY AM I RECEIVING THIS NOTICE?

- You have been identified as eligible to participate in a settlement of the above lawsuit.
- You and others who are eligible to participate are called the Settlement Collective.
- The purpose of this Notice of Settlement of Class and Collection Action Lawsuit, Allocation and Release (the “Notice”) is to inform you that you are eligible to participate in the settlement and to discuss your rights and options with respect to the underlying lawsuit and the settlement.
- This is a court-approved Notice.
- Your legal rights will be affected.
- YOU ARE ELIGIBLE TO RECEIVE MONEY FROM THE COURT-APPROVED SETTLEMENT IN THIS CASE, AS DESCRIBED BELOW (YOUR “INDIVIDUAL SETTLEMENT AMOUNT”):

Name	SIMID	Total Pro Rata Individual Settlement Amount	W2 (Wages)	1099 (Non-Wages)

WHAT IS THIS LAWSUIT ABOUT?

On October 11, 2024, litigation was initiated by Jessica Chittum (“Named Plaintiff”), on behalf of herself and others similarly situated, in the United States District Court for the Western District of Virginia against National Lutheran, Inc. d/b/a National Lutheran Communities & Services and The Legacy At North Augusta, Inc. (together “Defendants” or “NLI”) regarding claims of (1) failure to properly calculate overtime rates of pay when employees worked more than forty hours in a workweek and (2) failure to correctly incorporate shift differentials, non-discretionary bonuses, and similar forms of incentive pay in calculating overtime rates of pay (together, the “Overtime Rate Claims”). NLI denies the allegations and asserts, among other defenses, that Named Plaintiff and all others were properly paid, that NLI had a good faith basis for its pay practices, and that any violation of the overtime rules was not willful.

The parties have since reached a resolution through a court-approved settlement agreement (the “Settlement Agreement”) that involves monetary payments to members of the Settlement Collective who choose to participate in the settlement.

WHAT IS THIS NOTICE ABOUT?

This Notice is to inform you that the Court has preliminarily approved the terms of the Settlement Agreement and has approved, for settlement purposes, distribution of this Notice to eligible members of the Settlement Collective, comprising current and former employees of NLI who worked overtime between October 11, 2021 and December 6, 2024, whose alleged unpaid overtime wages at issue exceed or equal one dollar. The Court has not decided whether NLI has violated federal or state law, and this Notice does not imply in any way any Court’s endorsement of Plaintiff’s claims. The Settlement Agreement is the result of arms-length negotiations between Named Plaintiff and NLI and their respective attorneys. Both sides agree that the Settlement Agreement is fair and appropriate under the circumstances.

The parties submitted the Settlement Agreement to the Court, who preliminarily approved the Settlement Agreement on **[APPROVAL DATE]**.

You are now being given the chance to join in the settlement. By joining the settlement and receiving your payment, you will release claims against Defendants, as explained in detail below. There are two releases, one covering Released Fair Labor Standards Act (“FLSA”) Claims, and one covering Released State Law Claims.

HOW DO I PARTICIPATE IN THE SETTLEMENT AND RECEIVE A PAYMENT?

You do not need to do anything to join in the settlement. You may join the settlement, and receive your Individual Settlement Amount, **by doing either the following:**

1. Sign and return the enclosed Consent and Release of FLSA Claims for to the Settlement Administrator, either electronically at **[WEBSITE]** or by mail using the prepaid return envelope to **[SETTLEMENT ADMINISTRATOR INFO]** no later than **[DATE]**. **If using mail, your envelope must be postmarked by this date, and received by the Settlement Administrator no later than [DATE].** By signing the Consent and Release of FLSA Claims, you will release NLI from the Released FLSA Claims discussed below.

2. Do not submit a request to be excluded from the Release of State Law Claims. If you do not submit a request for exclusion (or “opt-out”), by operation of the Settlement Agreement you will release NLI from the Released State Law Claims discussed below.

If you do not wish to join the settlement, you must **both (a)** not return the Consent and Release of FLSA Claims and (2) submit a request to exclude yourself to the Settlement Administrator, as explained below in the section titled “What If I Don’t Want to Participate in the Settlement?”

WHAT ARE THE BASIC TERMS OF THE SETTLEMENT?

The Settlement Agreement provides, among other terms, that NLI will make the following payments:

Gross Settlement Amount. The total settlement amount is Two Hundred Eighty-Nine Thousand Five Hundred Thirty and 29/100 (\$289,530.29) (“Gross Settlement Amount”), plus employer-side taxes and administrative costs as set forth in the agreement.

Employer-Side Taxes. NLI will pay all required employer-side taxes associated with the Gross Settlement Amount, in addition to the Gross Settlement Amount.

Settlement Collective Amount. Subject to any additional amount being added due to a reduction in the attorneys’ fees by the Court (see section on Fees and Costs Settlement Amount below), the maximum amount that is payable to members of the Settlement Collective is One Hundred Seventy Thousand Dollars and 04/100 (\$170,000.04) (“Settlement Collective Amount”). This is the maximum amount NLI will pay to the eligible individuals who choose to participate in the settlement, collectively, exclusive of any required matching on payroll tax withholding. The allocation of the Settlement Collective Amount among eligible individuals is made on a *pro rata* basis based on individual damages calculations (give or take a penny, due to Excel rounding) (“Individual Settlement Amounts”). Individual Settlement Amounts will be allocated 50/50 between alleged overtime backpay wages and alleged liquidated damages (give or take a penny, due to Excel rounding) consistent with the individualized damages calculations. The portions of the Individual Settlement Amounts representing alleged overtime backpay owed are wages subject to required payroll tax withholdings and reported on an IRS Form W-2. The portions of the Individual Settlement Amounts representing alleged liquidated damages owed are not subject to withholding and are reported on IRS Form 1099.

Fees and Costs Settlement Amount. NLI will pay One Hundred Four Thousand and 00/100 Dollars (\$104,000.00), for attorney’s fees and legal costs (“Fees Settlement Amount”) to Plaintiffs’ counsel below. If the Court awards less attorneys’ fees, the delta will be added to the Settlement Collective Amount for pro rata allocation consistent with the terms of the Agreement, such that the Gross Settlement Amount will not change.

Service Award. NLI will pay the Named Plaintiff a service award in the amount of One Thousand and 00/100 Dollars (\$1,000.00), in addition to her Individual Settlement Amount.

Administrative Costs. NLI shall pay all administrative costs, totaling Fourteen Thousand Five Hundred Thirty and 25/100 (\$14,530.25), associated with the administration of the settlement payments.

Settlement Administrator. The Settlement Administrator, ILYM Group, Inc., is administering the settlement payments. You may contact them at **[CONTACT INFORMATION]**.

Release. To participate in the settlement and receive your payment, you must release NLI from specific claims.

Released FLSA Claims. If you timely sign and return the Consent and Release of FLSA Claims, you will release NLI from liability to you for any and all claims arising between October 11, 2021 and December 6, 2024 for overtime wages arising from (i) the alleged duplicative counting of hours in calculating overtime rates, or (ii) the alleged omission of shift differentials, bonuses or other forms of incentive compensation from the calculation of overtime rates, including for such claims any liquidated damages, interest, costs, litigation expenses and attorneys' fees pursuant to the federal Fair Labor Standards Act, FLSA 29 U.S.C. §201, *et seq.* ("Released FLSA Claims").

Released State Law Claims. If you do not submit a request to exclude yourself from the settlement, by operation of the Settlement Agreement you will release NLI from liability to you for any and all claims arising between October 11, 2021 and December 6, 2024 for overtime wages arising from (i) the alleged duplicative counting of hours in calculating overtime rates, or (ii) the alleged omission of shift differentials, bonuses or other forms of incentive compensation from the calculation of overtime rates, including for such Claims any liquidated damages, interest, costs, litigation expenses and attorneys' fees pursuant to Virginia or Maryland state wage and hour laws and wage payment laws ("Released State Law Claims")

HOW MUCH CAN I EXPECT TO RECEIVE UNDER THE SETTLEMENT?

If you choose to participate in the settlement, you will be paid the Individual Settlement Amount described on page one. Your Individual Settlement Amount will be allocated as two equal payments, one representing overtime wages allegedly owed to you arising from the Overtime Rate Claims, and one representing liquidated damages. This total Individual Settlement Amount may be paid via one or two checks. The wage-based payment will be subject to applicable tax withholdings for wage-based payments, and reported on a Form W-2, and the liquidated damages (non-wage) payment, will not be subject to withholding and will be reported on a Form 1099.

WHAT SHOULD I DO NEXT?

You do not need to do anything to participate in the settlement. Alternatively, you have the choice to opt out of or object to the Settlement, as explained below.

If you do nothing, you will be bound by the terms of the settlement and receive payment by check, and by operation of the Settlement Agreement, you will release NLI from the Released State Law Claims.

If you sign and return the Consent and Release of FLSA Claims attached to the back of this Notice, you will also release NLI from the Released FLSA Claims.

WHAT IF I DON'T WANT TO PARTICIPATE IN THE SETTLEMENT?

Conversely, if you wish to exclude yourself ("opt out") from the Settlement Agreement, you must **BOTH** (1) not return the FLSA Consent and Release Form, AND (2) mail a written, signed statement to the Settlement Administrator stating that you opt out of the Settlement and include your name, address, and telephone number. If you opt out, your Individual Settlement Amount will be returned to NLI and you will not release any claims. If you exclude yourself as described above, you will NOT be allowed to object to the Settlement Agreement. You should be aware that the statute of limitations on these claims may affect your ability to bring them on your own should not participate in the Settlement Agreement. To be effective, the opt-out statement must be mailed to the Settlement Administrator via First Class United States Mail, postage prepaid, and postmarked by **[30 DAYS FROM MAILING DATE]**.

[SETTLEMENT ADMINISTRATOR'S CONTACT INFORMATION]

Alternatively, if you do not opt out of the Settlement Agreement, you may object to the Settlement Agreement if you so desire. By objecting to the settlement, you will be asking the Court not to approve the settlement or the settlement payments. If you wish to object to the settlement, you must file your objection with the Court in the Action by **[30 DAYS FROM MAILING DATE]**. Please list the case number (5:24-cv-00082) and your name, address, and the basis of your objection and send it to:

[Clerk of Court], ADDRESS

Please also provide a copy of any objections to the parties' Counsel at:

Timothy Coffield Coffield PLC Mail Only: Mail: 300 East Main Street, Suite 100 Charlottesville, VA 22902 Phone: (434) 218-3133 tc@coffieldlaw.com <i>Counsel for Plaintiffs</i>	Jessica Summers LERCH, EARLY & BREWER, CHTD. 7600 Wisconsin Ave, Suite 700 Bethesda, MD 20814 Tel: (301) 657-3442 jbsummers@lerchearly.com <i>Counsel for Defendants</i>
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WHAT EFFECT WILL THIS SETTLEMENT HAVE ON MY LEGAL RIGHTS?

In exchange for the benefits received under the settlement of this lawsuit, by timely signing the Consent and Release of FLSA Claims, you will release NLI from the Released FLSA Claims. In exchange for the benefits received under this lawsuit, by not timely requesting exclusion from the settlement, you will release NLI from the Released State Law Claims.

WHAT IF I HAVE QUESTIONS?

If you have any questions about this lawsuit, or would like further information, you can contact the Plaintiffs' counsel, Timothy Coffield, Coffield PLC, Mail Only: 300 E. Main St., Ste 100, Charlottesville, VA 22902, (434) 218-3133; www.coffieldlaw.com, tc@coffieldlaw.com.

This Notice only summarizes the action, the Settlement Agreement, and related matters. To request a copy of the entire Settlement Agreement, you may contact **[SETTLEMENT ADMINISTRATOR'S CONTACT INFORMATION]**.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT WITH QUESTIONS INVOLVING THIS LAWSUIT.

