

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

ALAN D. MCNAMARA,

Plaintiff,

vs.

ANSCHUTZ ENTERTAINMENT GROUP,
INC., et al.,

Defendant.

Case No. BC322755

CLASS ACTION

**NOTICE OF CLASS ACTION SETTLEMENT
FOR THE OVERTIME CLASS**

TO: ALL PERSONS EMPLOYED AS A SECURITY OFFICER OR TEAM LEADER BY ONE OR MORE OF THE FOLLOWING SUBSIDIARIES OF ANSCHUTZ ENTERTAINMENT GROUP, INC. (“AEG”): L.A. ARENA COMPANY dba STAPLES CENTER; L.A. ICE VENTURE COMPANY, LLC, WHICH OPERATES THE HEALTHSOUTH TRAINING CENTER; ANSCHUTZ SOUTHERN CALIFORNIA SPORTS COMPLEX, LLC, WHICH OPERATES THE HOME DEPOT CENTER; OR L.A. VENUE MANAGEMENT, WHICH OPERATED THE KODAK THEATRE (THE SUBSIDIARIES ARE COLLECTIVELY REFERRED TO AS “VENUE EMPLOYERS”) AT ANY TIME BETWEEN OCTOBER 8, 2000 AND APRIL 13, 2005. PLEASE READ THIS NOTICE CAREFULLY; IT RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHT TO RECEIVE PAYMENT AS FURTHER DESCRIBED BELOW.

I. PURPOSE OF THIS NOTICE

You have received this Notice of Class Action Settlement because company records indicate that you worked as a Security Officer or Team Leader at more than one Venue Employer during one or more workweeks between October 8, 2000 and April 13, 2005 and the hours you worked at each Venue Employer were not combined for purposes of calculating overtime. If you worked at more than one Venue Employer during one or more workweeks between October 8, 2000 and April 13, 2005 and your hours worked at each Venue Employer were not combined for purposes of calculating overtime, your rights may be affected by a proposed settlement in a case entitled Alan D. McNamara v. Anschutz Entertainment Group, Inc., Los Angeles County Superior Court Case No. BC322755 (the “Lawsuit”). This Notice describes the litigation, informs you of the proposed settlement, and explains your rights as they relate to the claims in the Lawsuit regarding overtime.

II. DESCRIPTION OF THE LAWSUIT

On October 8, 2004, Plaintiff filed a Complaint against AEG in the Superior Court of California for the County of Los Angeles, Case No. BC 322755 on behalf of himself and current and former Team Leaders and Security Officers employed at the Venue Employers. The Lawsuit alleged that AEG unlawfully failed to aggregate all hours worked by Team Leaders and Security Officers at the Venue Employers for purposes of determining overtime compensation due. The lawsuit seeks recovery of alleged unpaid overtime wages and penalties pursuant to the California Labor Code, the applicable California Industrial Welfare Commission (“IWC”) Wage Order, California Business & Professions Code section 17200 and California Civil Code sections 3294 and 3336 for conversion. AEG denied any liability or wrongdoing of any kind associated with any of the claims alleged in the Lawsuit. In addition, AEG denied, and continues to deny, that the Lawsuit could or should be certified to proceed as a class action.

The Lawsuit has been active since it was filed. There have been on-going investigations, and there has been extensive informal discovery. AEG fully cooperated in a related investigation by the California Division of Labor Standards Enforcement (“DLSE”). AEG conducted a self-audit and interviewed numerous witnesses. AEG provided the results of its self-audit to the DLSE and Plaintiff, and provided additional data to Plaintiff. Plaintiff interviewed numerous witnesses and retained an expert to audit AEG’s self-audit and analyze other data provided by AEG. The Parties then agreed to participate in an early settlement conference, and the DLSE agreed to allow Plaintiff’s counsel to negotiate a resolution of penalty claims on behalf of the putative class.

On July 14, 2005, the parties participated in a settlement conference before the Honorable Carolyn B. Kuhl, Judge of the Los Angeles County Superior Court. On August 22, 2005 the parties participated in a second settlement conference with Judge Kuhl. The case settled during this second settlement conference, and the parties have since entered into a Class Action Settlement Agreement and Stipulation (the “Agreement”), which has been given preliminary approval by the Court.

On July 17, 2006 at 11:00 a.m., the Honorable Carolyn B. Kuhl, Judge of the Los Angeles County Superior Court will hold a final hearing in Department 323, located at 600 South Commonwealth Avenue, Los Angeles, California 90005, to determine whether the Agreement reached between the parties is fair, reasonable and adequate (“Final Settlement Hearing”).

III. SUMMARY OF THE PROPOSED SETTLEMENT

Plaintiff’s Attorneys believe further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. No one can confidently predict how the various factual and legal questions at issue, including whether AEG is liable, and, if so, the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Plaintiff’s Attorneys believe the proposed Agreement is fair, reasonable and adequate. The principal terms of the Agreement that relate to the claims in the Lawsuit regarding overtime are summarized in this Notice.

A. Settlement Class and Overtime Subclass

All persons who were employed as a Security Officer or Team Leader at more than one Venue Employer during one or more workweeks between October 8, 2000 and April 13, 2005 whose hours worked during such workweeks were not aggregated for purposes of calculating overtime would be part of the Overtime Class. All members of the Overtime Class who do not opt out of the settlement as explained herein would be part of the “Settlement Class” (also referred to as “Settlement Class Members”) with respect to the Overtime Class.

B. Settlement

The Agreement allows all members of the Overtime Class to receive Settlement Payments as described below.

AEG shall pay you, or cause to be paid to you, cash compensation in the amount of \$XXX, less applicable withholdings, for unpaid overtime. In addition, the following additional amounts will be allocated on a pro rata basis among the estimated 205 Overtime Class members: \$19,752.08 in interest, \$12,500 for penalties pursuant to California Labor Code section 226(3), and \$3,750 for penalties pursuant to California Labor Code section 558. In addition, \$12,400 will be allocated on a pro rata basis among Overtime Class Members whose employment with all Venue Employers was terminated between October 8, 2003 and July 11, 2005 for penalties pursuant to California Labor Code section 203. You do not need to submit a claim to receive any of the payments to which you are entitled as described in this Notice. They will be automatically sent to you, provided you do not opt out of the Settlement and the Settlement is approved by the Court, after the Final Judgment becomes final.

If you dispute the overtime amount specified in this Notice, you must notify the Claims Administrator of this dispute in writing, postmarked no later than July 3, 2006, and provide documents (such as time records and payroll records) evidencing the amount you believe your claim should be. Unless you prove otherwise, the overtime amount specified in this Notice is presumed to be accurate. Any dispute over the overtime amount that cannot be resolved by the parties will be submitted to the Court for resolution at the Final Settlement Hearing.

In no event shall the total amount of Settlement Payments to the Overtime Class exceed \$137,517. AEG shall also pay \$11,250 to the State of California for Labor Code section 558 penalties.

Taxes will be withheld and paid with respect to the portion of your Settlement Payment that is allocated to overtime. A W-2 form will be issued for this payment. No taxes will be withheld and paid with respect to the portion of your Settlement Payment that is allocated to interest and penalties. A Form 1099 will be issued for any such payment exceeding \$600.00. Any taxes due on the portion of your Settlement Payment that is allocated to interest and penalties are your responsibility, and you agree to defend and indemnify AEG for any liability to any taxing authority that may arise because of your failure to pay all taxes due on those amounts.

C. Class Representative

Subject to Court approval, the Plaintiff will be paid an enhancement of \$5,000.00 for his service as class representative, as well as his willingness to accept the risk of paying AEG's attorneys' fees and costs in the event of an unsuccessful outcome.

D. Attorneys' Fees

The attorneys for the Class ("Plaintiff's Attorneys") will apply to the Court for an award of reasonable attorneys' fees in the amount of \$82,535.10 ("Plaintiff's Attorneys' Fees"). In addition, Plaintiff's Attorneys will apply to the Court for reimbursement of reasonable costs and expenses in the amount of \$7,234.34 ("Plaintiff's Expenses") which they incurred prosecuting the Lawsuit and negotiating and overseeing the Settlement.

The parties to the Lawsuit believe the amounts requested for attorneys' fees, costs and the class representative enhancement are reasonable. However, the final decision regarding the amount of Plaintiff's Attorneys' Fees, Plaintiff's Expenses and Plaintiff's class representative enhancement which will be paid is subject to the discretion of the Court and the Court's approval.

E. Release of Claims

In exchange for receiving a Settlement Payment as a member of the Overtime Class, you agree to release AEG and the Venue Employers; their past, present and future parent companies (including intermediate parents and ultimate parents) and subsidiaries, affiliates, predecessors, successors and assigns, and each of their respective past, present and future officers, directors, employees, agents, attorneys, insurers, stockholders, representatives, heirs, administrators, executors, successors and assigns, and any other person or entity acting on their behalf (the "Released Parties") from any and all claims, known and unknown, which are based on or in any way related to, the alleged failure of the Released Parties to aggregate hours worked by Security Officers and Team Leaders for purposes of calculating overtime up through and including April 26, 2006.

This release includes, without limitation: (i) the causes of action alleged in the Complaint for unpaid overtime wages under California Labor Code sections 1194 and 1198 and the applicable IWC Wage Order, restitution and other equitable relief under California Business and Professions Code section 17200, conversion, waiting time penalties under California Labor Code section 203, penalties for failure to provide an itemized wage statement under California Labor Code section 226, interest on alleged overtime wages, attorneys' fees and costs/expenses under the California Labor Code or otherwise; (ii) any

and all other claims based on or related to the purported non-payment of overtime compensation, whether based on California or federal statute, ordinance, regulation, common law, or other source of law, whether or not such claims are in the nature of back pay, damages, penalties, interest, attorneys' fees, costs, expenses or injunctive relief, whether in contract, tort, or pursuant to a statutory remedy, including, but not limited to, any claims that were or could have been brought under California Labor Code sections 210, 218.5, 218.6, 225.5, 226, 226.3, 510, 558, 1194.2, 1197.1 and 2699, the applicable IWC Wage Orders; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq., and all implementing regulations and interpretative guidance or rulings and the like; any claims for conversion of overtime compensation or pay; and any claims for unfair business practices prohibited by the California Business and Professions Code section 17200 et seq. relating in any way to a purported failure to pay overtime compensation.

Furthermore, with respect to the claims as described above, you expressly waive and relinquish, to the fullest extent permitted by law, your rights under Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Thus, even if you hereafter discover facts in addition to or different from those which you now know or believe to be true with respect to the claims as described above, you shall be deemed to have and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the claims on the Final Settlement Date. This is true whether such claims are known or unknown.

IV. WHAT ARE YOUR RIGHTS AS AN OVERTIME CLASS MEMBER?

A. Excluding Yourself from the Overtime Class

Any member of the Overtime Class who does not wish to participate in the settlement of the overtime claims alleged in the Lawsuit may exclude himself or herself (i.e., "opt out") by submitting a letter requesting exclusion from the Overtime Class. The letter must be signed by you and must clearly state all of the following: (a) your full name, (b) your address, (c) your home telephone number, (d) your cell phone number, (e) the name and telephone number of your current employer. The letter requesting exclusion must be postmarked by no later than July 3, 2006 and sent to:

Anschutz Entertainment Group, Inc. Claims Administrator
c/o Desmond, Marcello & Amster
6060 Center Drive, Suite 825
Los Angeles, California 90045

Any request for exclusion postmarked after this date shall be of no force and effect. Any member of the Overtime Class who submits a complete and timely request for exclusion shall, upon receipt, no longer be a member of the Overtime Class, shall be barred from participating in, and shall receive no benefits from, any portion of the settlement of the overtime claims alleged in the Lawsuit. Any such person, at their own expense, may pursue any claims he or she may have against AEG.

B. Objection to the Settlement

You can object to the terms of the Agreement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the Agreement. To object, you must file a written objection and a Notice of Intention to Appear at the Final Settlement Hearing currently set for July 17,

2006 at 11:00 a.m. in Department 323, with the Clerk of the Superior Court of the State of California for Los Angeles County, 600 South Commonwealth Avenue, Los Angeles, CA 90005, and send copies to the following attorneys for the parties:

Class Counsel

Mike Arias
Arias, Ozzello & Gignac, LLP
6701 Center Drive West, Suite 1400
Los Angeles, CA 90045
(310) 670-1600
E-Mail Address: aogl@aogllp.com

AEG's Counsel

Julie E. Patterson
Bryan Cave LLP
2020 Main Street, Suite 600
Irvine, CA 92614

The written objections and Notice of Intention to Appear shall state each specific reason in support of your objection and any legal support for each objection. Your objection and Notice of Intention to Appear must also state your full name, address, date of birth and the dates of your employment at the Venue Employer(s). To be valid and effective, any objections to approval of the Agreement or Notice of Intention to Appear must be filed with the Clerk of the Court and served upon each of the above-listed attorneys no later than July 3, 2006. DO NOT CONTACT THE COURT.

If you choose to file an objection to the terms of the Agreement, you must appear, at your own expense, personally or through an attorney, at the Final Settlement Hearing to explain why you object to the Agreement.

V. EFFECT OF THE SETTLEMENT

A. Released Rights and Claims

The Settlement is intended to settle all claims against the Released Parties that members of the Overtime Class have asserted or could have asserted in the Lawsuit regarding the alleged failure of the Released Parties to aggregate all hours worked by Team Leaders and Security Officers at the Venue Employers up through and including April 26, 2006. If you were employed by any of the Venue Employers as a Security Officer or Team Leader between October 8, 2000 and April 13, 2005, and you do not elect to exclude yourself from the Overtime Class, you will be deemed to have entered into this release and to have released the overtime claims as described herein. If the Agreement is not approved by the Court or does not become final for some other reason, the litigation will continue.

B. Payment to Participating Claimants

Distribution of the Settlement Payments to members of the Overtime Class will be paid within fifteen (15) business days after the Final Judgment approving the Agreement becomes final according to the terms of the Agreement.

VI. FINAL SETTLEMENT HEARING

The Court will hold the Final Settlement Hearing in Department 323 of the Los Angeles County Superior Court, 600 South Commonwealth Avenue, Los Angeles, CA 90005, on July 17, 2006 at 11:00 a.m. to determine whether the Agreement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Plaintiff's Attorneys' Fees, Plaintiff's Expenses and Plaintiff's class representative enhancement. Plaintiff's Attorneys' application for Plaintiff's Attorneys' Fees, Plaintiff's Expenses will be on file with the Court no later than July 10, 2006 and will be available for review after that date.

The Final Settlement Hearing may be continued without further notice to the Class. It is not necessary for you to appear at this hearing unless you have timely filed and served a written objection and Notice of Intention to Appear with the Court.

VII. ADDITIONAL INFORMATION

This Notice provides only a summary of the Action, the settlement, and the matters relating to them. For more information, you may review the complete court files at the Clerk's office for the Los Angeles County Superior Court, located at 600 S. Commonwealth Avenue, Los Angeles, CA 90005

ADDITIONALLY YOU CAN OBTAIN A COPY OF THE DOCUMENTS PERTINENT TO THIS LITIGATION, INCLUDING THE COMPLAINT, THE SETTLEMENT AGREEMENT, AND THE RELEVANT ORDERS OF THE COURT FROM THE CLAIMS ADMINISTRATOR'S WEBSITE AT WWW.DMACLASSACTION.COM, AND/OR CLASS PLAINTIFFS' COUNSEL'S WEBSITE AT WWW.AOGLLP.COM, OR BY CONTACTING CLASS PLAINTIFF'S COUNSEL AT THE ADDRESS ABOVE.

Should you have any questions with respect to this Notice, the Settlement Agreement or any of the applications for fees, costs and expenses, you should direct them to Class Plaintiffs' Counsel or, if you choose, your own attorney.

PLEASE DO NOT CONTACT THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS!

DATED: April 26, 2006

The Honorable Carolyn B. Kuhl
Judge of the Los Angeles County Superior Court