

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

GERRY MCNERNEY, CHRIS SCROGGINS,
individually, and on behalf of all others similarly
situated,

Plaintiffs,

vs.

PIPER JAFFRAY & CO., UBS FINANCIAL
SERVICES INC.,

Defendants.

CASE NO. C-06-5155 PJH

**NOTICE OF PENDENCY OF CLASS ACTION
AND OPPORTUNITY TO OPT IN, PROPOSED
SETTLEMENT AND HEARING DATE FOR
COURT APPROVAL**

JONATHAN CHAET individually, and on behalf
of all others similarly situated,

Plaintiffs,

vs.

PIPER JAFFRAY COMPANIES; PIPER
JAFFRAY & CO., and DOES 1 through 10,
inclusive,

Defendants.

CASE NO. C-06-7075 PJH

TO: All employees of Piper Jaffray Companies and Piper Jaffray & Co. (“Piper”) who were employed by Piper in the United States as Financial Advisors and/or New Financial Advisors or Financial Advisor Trainees during all or part of the applicable periods set forth in Section II, C of this Notice (“Piper employees”), as well as those Piper employees who thereafter became employed by UBS Financial Services Inc. (“UBS”, collectively “Piper/UBS”) as Financial Advisors and/or New Financial Advisors or Financial Advisor Trainees.

PLEASE READ THIS NOTICE CAREFULLY.

You have been provided with forms (attached) to indicate
whether you want to participate in or exclude yourself from the Settlement.

If you wish to:	
<u>I. Receive your share of the Settlement</u>	You must COMPLETE AND RETURN BOTH OF YOUR GREEN FORMS: (1) “Consent to Join Settlement Form,” and (2) “Claim Form,” NOT LATER THAN January 14, 2008. (As discussed in more detail below, if you consent to join the Settlement, you will release all of the state and federal claims related to the Actions.)
<u>II. If you do NOT intend to participate in the Settlement</u>	You must COMPLETE AND RETURN YOUR RED EXCLUSION FORM ON OR BEFORE December 31, 2007. (As discussed in more detail below, you must file an Exclusion Form to prevent the release of your state claims.)
<u>III. Comment in favor of the Settlement or object to the Settlement</u>	You may do so in writing at any time before or at the hearing for final approval of the Settlement (“Fairness Hearing”) and you may also appear at the Fairness Hearing to present your comments on or objections to the Settlement to the Court orally.

IF YOU DO NOT RESPOND TO THIS NOTICE (by declining to fill out any of the attached forms)—**YOU WILL EFFECTIVELY RELEASE ALL OF YOUR STATE LAW CLAIMS** in the Actions. However, if you do not respond to this Notice, you will *not* release your *federal* claims under the Fair Labor Standards Act (“FLSA”).

Pursuant to the order of the United States District Court for the Northern District of California entered on November 5, 2007, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A proposed Settlement has been reached between the Parties in this class action brought on behalf of all individuals described above (the "Class").¹ The Court has preliminarily approved the Settlement and conditionally certified the Class for purposes of the Settlement only. You have received this Notice because Piper/UBS records indicate that you are a member of the Class. This Notice is designed to inform you of how you can make a claim under the Settlement, comment in favor of the Settlement or object to the Settlement, or elect not to participate in the Settlement. This Settlement seeks to resolve claims under both the "FLSA" and various state wage and hour laws of each applicable state.

This Notice provides you with a **Consent to Join Settlement Form** and a **Claim Form**, both in green, to indicate that you consent to and want to participate in the Settlement. To receive your share of the proceeds to be paid under the Settlement, you must submit both a valid and timely Consent to Join Settlement Form and a valid and timely Claim Form, and in doing so, you will consent to releasing all of your state and federal FLSA claims at issue in the Actions.

This Notice also provides you with an **Exclusion Form, in red**, to indicate that you do NOT want to participate in the Settlement. If you do not timely submit a red Exclusion Form, and/or if you do nothing and do not respond, and if the Settlement is finally approved by the Court, the Settlement will be binding upon you with respect to all of your **state-law claims** (i.e. not including your federal FLSA claims), and you will release these state-law claims even if you object to the Settlement.

I. BACKGROUND OF THE CASE

On August 23, 2006 plaintiff Gerry McNerney commenced the above-captioned action in the United States District Court for the Northern District of California ("*McNerney* action"). On September 28, 2006 plaintiff McNerney filed a first amended complaint, adding Chris Scroggins as a named plaintiff, and UBS Financial Services Inc. as a defendant. On November 14, 2006, plaintiff Jonathan Chaet commenced the above-captioned action against Piper in the United States District Court for the Northern District of California ("*Chaet* action"). On February 2, 2007, the Parties filed a motion to consider the Actions related. On February 12, 2007 the Court granted the Parties' motion and transferred the *Chaet* action to this Court. In the Actions, plaintiffs alleged, on behalf of a California and/or nationwide class of Piper/UBS employees in the Covered Positions, that they and the Class were misclassified as exempt from federal and state overtime law and not paid compensation for overtime hours they worked, including interest and penalties. They alleged that they incurred business related expenses, that Piper/UBS did not reimburse them for those expenses, and that Piper/UBS improperly deducted business related expenses from earned income. Plaintiffs also asserted that Piper/UBS failed to provide required meal and rest periods under California law. Plaintiffs alleged federal question jurisdiction under the FLSA and diversity jurisdiction under the Class Action Fairness Act ("CAFA") (28 U.S.C. §§ 1331-32).

Piper/UBS deny the allegations in their entirety. Piper/UBS believe that they properly classified the Class as exempt from overtime, reimbursed all necessary business expenses, took no improper deductions, provided appropriate meal and rest periods, and that Piper/UBS have fully complied with the FLSA and all applicable state wage and hour laws and regulations.

After good-faith negotiations presided over by a private mediator on May 8, 2007, the Parties agreed to settle the Actions pursuant to the terms and conditions of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended to or will be construed as an admission by Piper/UBS that plaintiffs' claims in the Actions have merit or that they have any liability to the Class on those claims.

Plaintiffs and Piper/UBS, and their counsel, have concluded that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class.

II. SUMMARY OF THE SETTLEMENT

A. Who is included in the Settlement?

You are included in the Settlement if you were a Piper employee or a Piper employee who became employed by UBS during the time periods at issue, as defined in Section II, C, in the Covered Positions. The job codes listed in the Covered Positions include all job titles described in the Actions, and the Settlement encompasses all state and FLSA claims which were raised, or which could have been raised, in the Actions. It is estimated that there are approximately 1,227 members of the Class. With the exception of the valuation of work months in California and in all other states (as discussed in Section II, D, below), the Settlement treats all Class Members in the same manner.

¹ Specifically, the proposed Settlement Class consists of all individuals employed at Piper and/or Piper employees who thereafter became employed by UBS during the Covered Period (as defined in Section II, C) in the following positions/job codes ("Covered Positions"): 226, 008226, Unregistered Trainee; 456, 008456, Broker; 457, 008457, Registered Trainee at UBS; SPNF1, SPNF3, SPPF3 Financial Advisors; SPNF2, SPPF2, Developing Financial Advisor; SPPF1 and SJS1 Financial Advisor Associate; SJS0, Temporary Financial Advisor; SJS0, Investment Executive Temporary; SJS1, Investment Executive Associate; SJS2, Financial Advisor PC; SJS2, Financial Advisor PCS; SJS2, 661200 Investment Executive; SJC2, Senior Financial Advisor IIS; and, 661300, Investment Executive Trainee. The Class encompasses the Piper Financial Advisors who transferred to UBS after its August 2006 acquisition of Piper but does not include any UBS employees employed prior to the acquisition or covered by prior settlements.

B. Who is representing the Class?

The attorneys for the Class (“Class Counsel”) are:

Edward J. Wynne, Esq.
J.E.B. Pickett, Esq.
Wynne Law Firm
100 Drakes Landing Road, Ste. 275
Greenbrae, CA 94904
Telephone: (415) 461-6400
ewynne@wynnelawfirm.com

Bryan King Sheldon, Esq.
Nicholas Orihuela, Esq.
Lim, Ruger & Kim, LLP
1055 West Seventh Street, Suite 2800
Los Angeles, CA 90017
Telephone: (213) 955-9500

David S. Markun, Esq.
Jeffrey K. Compton, Esq.
Markun, Zusman & Compton LLP
17383 Sunset Boulevard
Pacific Palisades, CA 90272
Telephone: (415) 454-5900
jcompton@mzclaw.com

Joseph H. Meltzer, Esq.
Gerald D. Wells, III, Esq.
Robert J. Gray, Esq.
Schiffirin Barroway Topaz & Kessler, LLP
280 King of Prussia Road
Radnor, PA 19087
Telephone: (610) 667-7706
gwells@sbtclaw.com

C. What will I receive from the Settlement?

From a Settlement of \$5,500,000 (“Maximum Payment”) less (i) a payment to Class Counsel for their attorneys’ fees, in the maximum amount of (25%) of the Maximum Payment (or \$1,375,000); (ii) a payment to Class Counsel for their litigation costs, in an amount not to exceed \$50,000; (iii) the Claims Administrator’s fees and costs, in an amount not to exceed \$29,000; (iv) payments to each Class Representative in the amount of \$25,000 (for a total of \$75,000); and (v) a \$20,000 payment to the California Labor Workforce Development Agency (“LWDA”) for its share of the Settlement of claims for penalties, Piper/UBS will make a settlement payment to each Class Member (“Settlement Payment”) who submits a valid claim based on the number of months the Class Member worked in a Covered Position.

Work months are defined to include any month or portion of a month worked during the Covered Period. The value of a work month will vary depending on the jurisdiction where a Class Member was employed. The formula developed by the Parties allocates a greater proportion of the Settlement funds to class members in California than to class members in other jurisdictions, because California state wage-and-hour laws provide for certain claims, which Plaintiffs brought, that are unavailable under other states’ wage and hour laws. Consequently, the California claims and litigation activity regarding California Class Members’ claims likely would have caused the Parties to devote disproportionate resources to the California litigation with uncertain results (as discussed in Section II, D, below). The Covered Period is defined as the period running from the beginning of the applicable statute of limitations period for the jurisdiction in which the Class Member was employed by Piper/UBS through the date on which the District Court gives preliminary approval of the Settlement (October 31, 2007), for each state, as follows:

- (a) **Arizona (3 Year SOL):** commencing August 23, 2003;
- (b) **California (4 Year SOL):** commencing August 23, 2002;
- (c) **Colorado (3 Year SOL):** commencing August 23, 2003;
- (d) **Idaho (3 Year SOL):** commencing August 23, 2003;
- (e) **Illinois (5 Year SOL):** commencing August 23, 2001;
- (f) **Iowa (3 Year SOL):** commencing August 23, 2003;
- (g) **Kansas (3 Year SOL):** commencing August 23, 2003;
- (h) **Minnesota (3 Year SOL):** commencing August 23, 2003;
- (i) **Missouri (3 Year SOL):** commencing August 23, 2003;
- (j) **Montana (3 Year SOL):** commencing August 23, 2003;
- (k) **Nebraska (3 Year SOL):** commencing August 23, 2003;
- (l) **North Dakota (3 Year SOL):** commencing August 23, 2003;
- (m) **Oklahoma (3 Year SOL):** commencing August 23, 2003;
- (n) **Oregon (6 Year SOL):** commencing August 23, 2000;
- (o) **South Dakota (3 Year SOL):** commencing August 23, 2003;
- (p) **Utah (3 Year SOL):** commencing August 23, 2003;
- (q) **Washington (3 Year SOL):** commencing August 23, 2003;
- (r) **Wisconsin (6 Year SOL):** commencing August 23, 2000;
- (s) **Wyoming (3 Year SOL):** commencing August 23, 2003.

The Settlement Payments will be reduced by applicable tax deductions and withholdings.

The Parties estimate that, after deduction of Class Counsel’s Fees and Costs, the Class Representatives’ payment, the Claims Administrator’s fees and costs, and payment to the LWDA, each Class Member who was employed in California and submits a timely and valid Claim Form will receive approximately \$242.04 for each full or partial month they

worked in a Covered Position during the Covered Period. For example, if you worked as a Financial Advisor from August 24, 2004 until August 15, 2006 (25 full or partial months) in California, you would receive approximately \$6,051.00, less applicable tax deductions and withholding. The Parties estimate that, after deduction of Class Counsel's Fees and Expenses, the Class Representatives' payment, the Claims Administrator's fees and costs, and payment to the LWDA, each Class Member who was employed in any jurisdiction other than California who submits a timely and valid Claim Form will receive approximately \$80.68 for each full or partial month they worked in a Covered Position during the Covered Period. For example, if you worked as a Financial Advisor from August 24, 2004 until August 15, 2006 (25 full or partial months) in any jurisdiction other than California, you would receive approximately \$2,017.00, less applicable tax deductions and withholding. Note that the number of months covered by this Settlement varies by state, because states have differing statutes of limitation. If you wish to receive your portion of the Settlement, you must complete **BOTH GREEN FORMS**.

D. Why does the Settlement allocate a greater portion of the funds to the California Work Months?

The legal landscape in California provided the most ambiguity and complexity with respect to the overtime and deductions claims, and the Settlement accounts for that uncertainty. California overtime and deductions law is unique in the country. Due to the higher risk, uncertainty and penalties found in California, the Parties concluded that they could not in good faith justify giving the non-California Class Members the same work month values as those in California.

E. When will I receive my Settlement Payment?

The Settlement Payments will be paid after final court approval of the Settlement and after all rights to appeal or review are exhausted or any appeal or review has been resolved in favor of the Settlement.

F. What if I do not want to participate in the Settlement?

You will not be included in the Settlement if you elect not to participate by submitting an Exclusion Form (the **RED FORM**) that is provided with this Notice in accordance with the conditions for submitting that form. By submitting an Exclusion form, you will prevent the release of your state and federal claims, and you will be entitled to bring a separate suit in the future regarding the claims at issue if you so choose, and provided your statute of limitations to bring such claims has not run out.

G. What if I do not submit an Exclusion Form but also do not submit a Consent to Join Settlement and Claim Form?

To receive your share of the Settlement you must submit both a valid and timely Consent to Join Settlement Form and Claim Form (the **GREEN FORMS**). If you submit no forms at all, your federal FLSA rights will not be affected by the Settlement (*i.e.* you will not release these claims and you can pursue future litigation of your FLSA claims), but you will still be bound by the terms of the Settlement with respect to your state law claims although you will not receive your portion of the Settlement (*i.e.* you will have released your state law claims and you will not be able to pursue your state law claims in future litigation).

H. Claims Administrator.

The Court has appointed Rust Consulting, Inc. (telephone: 1-800-373-9651) to act as an independent Claims Administrator and to resolve any dispute concerning a Class Member's eligibility to participate in the Settlement and his or her share of the Settlement proceeds.

I. Release of Claims.

The Settlement includes a release by Class Members (other than those who file Exclusion Forms) of Piper/UBS and its former and present parent, subsidiary, and affiliated corporations and its officers, directors, employees, partners, shareholders and agents, and any other successors, assigns, or legal representatives ("Class Members' Released Parties"), from any and all applicable state law wage-and-hour claims, rights, demands, liabilities and cause of action of every nature and description, whether known or unknown, arising during the Class Members' Released Period (*i.e.* including currently pending litigation or arbitrations),² including without limitation statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorney fees, litigation costs, restitution, or equitable relief, based on the following categories of allegations: (a) any and all claims for the **failure to pay any type of overtime wages** and any and all claims for the **failure to provide meal and/or rest periods** stemming from or based on the alleged misclassification of employees as exempt employees, *i.e.*, employees who are exempt under state law from the wage-and-hour requirements imposed on employees who do not qualify for any exemption, including without limitation the executive, administrative, or professional exemptions set forth in state law; (b) any and all claims alleging the **improper assessment of costs, fines, penalties, chargebacks or settlements on employees**, including without limitation claims for **improper trading error deductions**; and (c) any and all claims for **failure to reimburse, indemnify or cover or pay for business costs**, including without limitation **claims for reimbursement of costs spent on or imposed for any type of business expense** or support staff ("Class Members' Released State Law Claims"). The Class Members' Released State Law Claims include claims meeting the above definition under any and all applicable statutes, including without limitation, the following state-specific wage and hour laws:

² "Class Representatives' Released Period" means the period from the beginning of each Class Member's date of Piper employment to the date on which the District Court gives final approval of the Settlement.

- (a) **Arizona:** General Wages Statute: Ariz. Rev. Stat. §§ 23-350 to 362;
- (b) **California:** California Labor Code §§ 96 through 98.2; California Labor Code §§ 200 through 272; California Labor Code § 300; California Labor Code §§ 400 through 410; California Labor Code §§ 500 through 558; California Labor Code § 1194, 1194.2, 1194.5, 1195; California Labor Code § 1174-75; California Labor Code §§ 2802 and 2804; California Bus. & Prof Code § 17200 *et seq.*; California Labor Code §§ 2698 through 2699.5; California Code of Civil Procedure § 1021.5; and any other wage-and-hour provision of the California Labor Code or any applicable California Industrial Welfare Commission Wage Orders, in all of their iterations (including without limitation Wage Order 4 and its wage, overtime, meal and rest period, record-keeping, and deduction provisions);
- (c) **Colorado:** Colorado Wage Claim Act: Colo. Rev. Stat. §§ 8-4-101 *et seq.* (specifically including §§ 8-4-105(1)(a)-(e), 8-4-110(2)); Colorado Minimum Wages of Workers Act: Colo. Rev. Stat. § 8-6-101 *et seq.*; Colorado Minimum Wage Order Number 22, 7 Colo. Code Regs. § 1103-1;
- (d) **Idaho:** Idaho Wage Payment Act: Idaho Code Ann. §§ 45-601– 45-621; Idaho Wage Payment Act: Idaho Code Ann. § 45-609;
- (e) **Illinois:** Illinois Minimum Wage Act: 820 Ill. Comp. Stat. 105/4; Illinois Wage Payment & Collection Act: 820 Ill. Comp. Stat. 115/9;
- (f) **Iowa:** Iowa Wage Payment Collection Act: Iowa Code Chapter 91A; Iowa Wage Payment Collection Act: Iowa Code §§ 91A.1 – 91A.14;
- (g) **Kansas:** Kansas Minimum Wage Laws: Kan. Stat. Ann. §§ 44-1201 to 44-1213; 44-1202(d); Kansas Wage Payment Statute: Kan. Stat. Ann. §§ 44-312 – 44-327; Kan. Admin. Regs. §§ 49-30-1 - 49-30-4, and 49-31-1 - 49-31-9;
- (h) **Minnesota:** Minn. Stat. (Ch. Labor Standards and Wages; Ch. Employment) §§ 177.24, §§ 177.25, 177.27, 177.32, 181.03, 181.06, 181.13, 181.14, 181.79;
- (i) **Missouri:** Mo. Rev. Stat. (Ch. Wages, Hours and Dismissal Rights) §§ 290.505 to 290.530 (specifically including §§ 290.080, 290.100, 290.110);
- (j) **Montana:** Montana’s Minimum Wage & Overtime Act: Mont. Code Ann. §§ 39-3-401 *et seq.*, 39-3-201 *et seq.*; Montana’s Wages & Wage Protection Act: Mont. Code Ann. § 39-3-101 *et seq.*;
- (k) **Nebraska:** Nebraska Wage Payment and Collection Act: Neb. Rev. Stat. §§ 48-1228 to 48-1232; Neb. Rev. Stat. §§ 28-1228 -1232;
- (l) **North Dakota:** Title 34 of the North Dakota Century Code; The North Dakota Minimum Wage and Work Conditions Order; Title 46 of the North Dakota Administrative Code; N.D. Cent. Code § 34-14-04.1;
- (m) **Oklahoma:** Oklahoma Payday Act: Okla. Stat. tit. 40, § 165.1 *et seq.*; Okla. Admin. Code §§ 380.30 1-7, 380-1-8;
- (n) **Oregon:** Or. Rev. Stat. (Ch. Minimum Employment Conditions; Overtime; Rules; Exemptions) § 653.261; Or. Rev. Stat. (Ch. Hours; Wages; Wage Claims; Records) § 652.610;
- (o) **South Dakota:** South Dakota Codified Laws (Ch. Wages, Hours, and Conditions of Employment) §§ 60-11-3 - 60-11-24;
- (p) **Utah:** Utah Code Ann. (Ch. Payment of Wages) §§ 34-28-1 - 34-28-19; Minimum Wage Act: Utah Code Ann. § 34-40-101;
- (q) **Washington:** Washington Minimum Wage Act: Wash. Rev. Code §§ 49.46.002 - 49.46.920; Wash. Rev. Code (Ch. Wages--Payment--Collection) §§ 49.48.010 - 49.48.190; Wash. Rev. Code (Ch. Wages--Deductions . . .) §§ 49.52.050 - 49.52.080; Wash. Admin. Code (Ch. Standards of Labor . . .) §§ 296-126-025, 296-126-028, 296-126-010;
- (r) **Wisconsin:** Wis. Admin. Code DWD (Ch. Hours of Work and Overtime) § 274.01; Wis. Stat. (Ch. Employment regulations/Ch. Wage Payments, Claims and Collections) §§ 103.01–103.03, 109.01-109.11; Wis. Stat. § 103.455;
- (s) **Wyoming:** Minimum Wage Act: Wyo. Stat. §§ 27-4-201 - 27-4-204; Wyo. Stat. (Ch. Wages) §§ 27-4-101 - 27-4-116.

In addition, those Class Members who submit valid and timely Intent to Join Settlement Forms fully and finally release and discharge the Class Members’ Released Parties from any and all federal wage-and-hour claims, rights, demands, liabilities and causes of action of every nature and description, whether known or unknown, pursuant to the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201, *et seq.*, and/or the Portal to Portal Act, arising during the Class Members’ Released Period (“Class Members’ Released Federal Law Claims”).

Finally, those Class Members who submit valid and timely Consent to Join Settlement Forms fully and finally waive all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and/or any comparable law(s) of any other state, with respect to the Released Claims. Section 1542 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.”

Notwithstanding the foregoing, nothing in the Settlement releases any claims that cannot be released as a matter of law.

J. Class Representatives.

In addition to their shares as Participating Class Members, plaintiffs Gerry Mc Nerney, Chris Scroggins, and Jonathan Chaet will each receive \$25,000 (for a total of \$75,000) for enhancements for their services as Class Representatives, as well as their willingness to accept the risk of paying Piper/UBS's attorneys' fees and costs in the event of an unsuccessful outcome. This payment will be deducted from the Maximum Payment under the Settlement.

K. Attorneys' Fees and Costs.

Class Counsel will seek approval from the Court for payment of (1) attorneys' fees incurred in the amount of twenty-five percent (25%) of the total Settlement, or \$1,375,000, and (2) litigation costs and expenses (not to exceed \$50,000), which, if approved by the Court, will be deducted from the Maximum Payment under the Settlement. Class Counsel believe the amount for costs and attorneys' fees requested is fair and reasonable, and Piper/UBS will not oppose their request for that amount.

L. Payment to the LWDA.

A \$20,000 payment to the LWDA will also be deducted from the Maximum Payment under the Settlement, for the LWDA's share of the Settlement of claims for penalties under the California Private Attorney General Act.

M. Costs of Administration.

The costs of administering the Settlement, not to exceed \$29,000, also will be deducted from the Maximum Payment under the Settlement.

III. PLAINTIFFS AND CLASS COUNSEL SUPPORT THE SETTLEMENT

Plaintiffs as Class Representatives and Class Counsel support this Settlement. Their reasons include the inherent risk of denial of class certification, the risk of a trial on the merits, and the inherent delays and uncertainties associated with litigation. Based on their experience litigating similar cases, Class Counsel believe that 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 legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Plaintiffs and Class Counsel believe that the Settlement is fair, reasonable, and adequate.

IV. YOUR RIGHTS AS A CLASS MEMBER

Plaintiffs as Class Representatives and Class Counsel represent your interests as a Class Member. Unless you elect not to participate in the Settlement by timely filing an Exclusion Form, you are a part of the Class, you will be bound by the terms of the Settlement and any final judgment that may be entered by the Court, and you will be deemed to have released the *state* law claims against Piper/UBS and the other released parties as described above. As a member of the Class, you will not be responsible for the payment of attorneys' fees or reimbursement of litigation expenses unless you retain your own counsel, in which event you will be responsible for your own attorneys' fees and costs.

A. Claiming Your Share of the Settlement.

To receive a share of the Settlement proceeds, **you must complete, sign and submit BOTH GREEN FORMS, including:**

1. **Consent to Join Settlement Form.** To be valid, the Consent to Join Settlement Form must be completed in full and signed by you under penalty of perjury. The Consent to Join Settlement Form must be received no later than January 14, 2008.

AND

2. **Claim Form.** To be valid, the Claim Form must be completed in full, signed by you under penalty of perjury, and accompanied by a photocopy of your driver's license or other form of government-issued picture identification (*e.g.*, passport). The Claim Form must be received no later than January 14, 2008.

You must return BOTH the (1) Consent to Join Settlement Form and the (2) Claim Form to:

Piper/UBS Claims Administrator
c/o Rust Consulting, Inc.
PO Box 9442
Minneapolis, MN 55440-9442

A Class Member who does not mail a Consent to Join Settlement Form AND a Claim Form in the manner and by the deadlines specified above will not receive a share of the Settlement proceeds. By the terms of the Settlement, you cannot release only certain claims (*i.e.* your federal FLSA claims) against Defendants and not others (*i.e.* your state claims). You must complete both green forms – and release all state and federal claims against Defendants – to receive your portion of the Settlement.

B. Commenting in favor of the Settlement.

You may, but are not required to, comment in favor of the Settlement. If you wish to comment in favor of the Settlement, please send your comments in writing by first class mail on or before December 31, 2007 to the following:

Office of the Clerk
United States District Court, Northern District of California
450 Golden Gate Avenue
16th Floor
San Francisco, CA 94102

Edward J. Wynne, Esq.
Wynne Law Firm
100 Drakes Landing Road, Ste. 275
Greenbrae, CA 94904
Telephone: (415) 461-6400
ewynne@wynnelawfirm.com

M. Kirby C. Wilcox, Esq.
Paul, Hastings, Janofsky & Walker LLP
55 Second Street, 24th Floor
San Francisco, CA 94105

Although receipt of your written comments is preferred by December 31, 2007, you may submit your written comments at any time at or before the Fairness Hearing. You may also appear and make your comments orally at the Fairness Hearing, even if not submitted in writing prior to the hearing. Your written comments should include your full name, address, date of birth, and dates of your employment at Piper/UBS and must reference these cases, *McNerney, Scroggins v. Piper Jaffray & Co, UBS Financial Services, Inc.*, Case No. 06-5155 PJH, and *Chaet v. Piper Jaffray Companies, Piper Jaffray & Co.*, Case No. 06-7075 PJH. In addition, your written comments must indicate whether you intend to appear at the Fairness Hearing scheduled for February 27, 2008 at 9:00 a.m. **PLEASE DO NOT TELEPHONE THE COURT, DEFENDANTS' COUNSEL, OR PIPER/UBS.**

C. Objecting to the Settlement.

If you are dissatisfied with any of the terms of the Settlement, you may object to the Settlement. Although receipt of your written objections is preferred by December 31, 2007, you may submit your written comments at any time at or before the Fairness Hearing.

Any objection to the Settlement submitted in writing does not need to take any particular form, and you do not need to hire an attorney to prepare an objection. If you mail your objection to the Court, please send it by first class mail on or before December 31, 2007 to the following:

Office of the Clerk
United States District Court, Northern District of California
450 Golden Gate Avenue, 16th Floor
San Francisco, CA 94102

Edward J. Wynne, Esq.
Wynne Law Firm
100 Drakes Landing Road, Ste. 275
Greenbrae, CA 94904
Telephone: (415) 461-6400
ewynne@wynnelawfirm.com

M. Kirby C. Wilcox, Esq.
Paul, Hastings, Janofsky & Walker LLP
55 Second Street, 24th Floor
San Francisco, CA 94105

You may also deliver your objection to the Court and/or orally make your objection at the Fairness Hearing, even if not submitted in writing prior to the hearing. Your objection should include your full name, address, date of birth, and dates of your employment at Piper/UBS and must reference these cases, *McNerney, Scroggins v. Piper Jaffray & Co, UBS Financial Services, Inc.*, Case No. 06-5155 PJH, and *Chaet v. Piper Jaffray Companies, Piper Jaffray & Co.*, Case No. 06-7075 PJH. In addition, your objection should indicate whether you intend to appear at the Fairness Hearing scheduled for February 27, 2008 at 9:00 a.m. It is not necessary, however, for you to appear at this hearing to make an objection.

Any Class Member who does not object to the Settlement in the manner described above will be deemed to have waived any objections and will be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. If the Court rejects your objection, you will still be bound by the terms of the Settlement with respect to your non-FLSA claims in all instances, and your FLSA claims if you submit a valid and timely Consent to Join Settlement Form, unless you also submit an Exclusion Form in the manner described in this Notice. **PLEASE DO NOT TELEPHONE THE COURT, DEFENDANTS' COUNSEL, OR PIPER/UBS.**

D. Excluding Yourself from the Settlement.

If you do not wish to participate in the Settlement, you must complete the enclosed Exclusion Form (Red). To be valid, the Exclusion Form must be completed, signed by you under penalty of perjury, accompanied by a photocopy of your driver's license or other form of government-issued picture identification (e.g., passport) and returned to:

Piper/UBS Claims Administrator
c/o Rust Consulting, Inc.
PO Box 9442
Minneapolis, MN 55440-9442

The Exclusion Form must be received no later than December 31, 2007. If the Exclusion Form is sent from within the United States it must be sent through the United States Postal Service by registered or certified mail, with return receipt requested. If you submit an Exclusion Form, you will be excluded from the Settlement with regard to both your federal FLSA and state claims. A Class Member who fails to mail an Exclusion Form in the manner and by the deadline specified above will be bound by all terms and conditions of the Settlement with respect to their state claims (not their federal FLSA claims) if the Settlement is approved by the Court, and the Judgment, regardless of whether he or she has objected to the Settlement.

Any person who files a complete and timely Exclusion Form will, upon receipt, no longer be a member of the Settlement Class, will be barred from participating in any portion of the Settlement, and will receive no benefits from the Settlement.

V. FAIRNESS HEARING FOR FINAL SETTLEMENT APPROVAL

The Court will hold a Fairness Hearing in Courtroom 3, 17th Floor of the United States District Court, 450 Golden Gate Avenue, San Francisco, California 94102, on February 27, 2008, at 9:00 a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for costs and attorneys' fees and the special payment made to plaintiffs as the Class Representatives. The hearing may be postponed without further notice to the Class.

VI. GETTING MORE INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should review the detailed Joint Stipulation of Settlement and Release Between Plaintiffs and Defendant. The Joint Stipulation is available at www.piperjaffrayOTsettlement.com. Alternatively, you may view the Joint Stipulation at any time during regular business hours in the United States District Court, 450 Golden Gate Avenue, 17th Floor, San Francisco, California, or you may contact Class Counsel or the Claims Administrator. **PLEASE DO NOT TELEPHONE THE COURT, DEFENDANTS' COUNSEL OR PIPER/UBS FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS!**