

If you purchased electricity or natural gas from Ambit Energy in New York, Maryland, or New Jersey, you may be entitled to a cash payment from a class action settlement.

A court authorized sending this Notice. It is not a solicitation from a lawyer or claims filing service. You are not being sued. This Notice is to advise you of your legal rights. Contact the Claims Administrator or Class Counsel listed below if you have any questions after reading this Notice.

Do not contact the Court with questions.

This Notice is to inform you of a proposed settlement of a class action lawsuit pending against various Ambit entities. As discussed in further detail below, this class action lawsuit is brought on behalf of all persons who received services in the States of New York, Maryland, and New Jersey who were enrolled as an electric and/or gas customer of Ambit on a Budget Billing Program. The proposed class action settlement provides for Ambit to compensate eligible Budget Billing Program customers for up to 82% of the alleged overcharges on their bills – as described below in Paragraph 6.

If this Notice was sent to you by the Claims Administrator by mail and/or email, Ambit’s records indicate that you may be entitled to a share of the proposed settlement. This Notice explains your legal rights and options, as well as the deadlines to exercise them. **Read this Notice carefully, as your legal rights may be affected whether or not you respond.**

YOUR RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	<p>This is the only way to receive a payment. <u>The Claim Form must be submitted by February 18, 2020.</u></p> <p>You can submit a Claim Form online at www.BudgetBillingSettlement.com by using the “CLAIMANT CODE.” If you received Notice by mail, your Claimant Code is located beside your name and address on the front of the Claim Form. If you received Notice by email, your Claimant Code is located at the top of the email. If you want to submit a paper Claim Form by mail, there is one enclosed with this Notice. If you need an additional copy of the Claim Form, you can print a copy online at www.BudgetBillingSettlement.com, or call 1-866-860-8927 and ask that a paper Claim Form be mailed to you.</p>
OPT OUT OR EXCLUDE YOURSELF	<p>Get no payment. If you ask to opt out or exclude yourself, you will not be a part of the lawsuit or settlement. You will not receive any benefits from this settlement and you keep any rights to sue Ambit separately about the same legal claims in this lawsuit. The deadline to opt out or exclude yourself is <u>February 18, 2020.</u></p>
OBJECT	<p>Notify the Court if you have any objections to the settlement. The deadline to file an objection with the Court is <u>February 18, 2020.</u></p>
DO NOTHING	<p>You will not receive any payment, and you will release your claims against Ambit.</p>

These rights and options – and the deadlines to follow – are explained in this Notice.

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BASIC INFORMATION

1. What is this Notice?

This Notice, which is being sent to you by mail and/or email, describes the cash benefits available from a proposed settlement of a class action lawsuit, and your options. The company's records show that sometime between May 4, 2010 and October 24, 2019 (the "Class Period"), you may have purchased energy (electricity and/or natural gas) from Ambit Energy Holdings, LLC, Ambit New York, LLC, or Ambit Northeast, LLC (*these entities are referred to collectively in this Notice as "Ambit"*) and been enrolled in a **Budget Billing Program**.

If the Court approves the settlement and it becomes final, payments that the settlement provides will be made by Ambit.

This Notice explains the lawsuit, the settlement, your legal rights, what payments may be available to you, who is eligible for these payments, and how to get them.

2. What is this lawsuit about?

Two class action lawsuits were brought on behalf of Ambit customers in New York, Maryland, and New Jersey, alleging that the company overcharged customers on the Budget Billing Program for gas and electricity by failing to disclose to these customers Ambit's actual energy supply rates and customers' actual monthly energy usage. Ambit denies any wrongdoing. No Court has made any decisions as to the merits of the allegations.

3. Why is this a class action?

In a class action, one or more individuals or entities, called class representatives, sue on behalf of others who have similar claims. In this case, the Plaintiff Class Representatives brought two lawsuits in federal court on behalf of Ambit's energy customers whom they believe have similar claims (the "Class Members"). One court will resolve issues for all Class Members, except those who exclude themselves from the settlement.

4. Why is there a settlement?

After more than three years of litigation and extensive negotiations, the parties have agreed to a settlement. No court has decided in favor of either party, and Ambit denies any liability. A settlement avoids the uncertainty, risks and delay of litigation, and provides Class Members the opportunity to receive monetary benefits. Both the Class Representatives and their attorneys believe that the settlement is fair and in the best interests of the Class. The settlement is subject to Court approval.

WHO IS INCLUDED IN THE SETTLEMENT?

5. How do I know if I am part of the settlement?

Class Members who may be entitled to receive a cash payment under the settlement include persons who received services in New York, Maryland, and New Jersey, were enrolled as customers of Ambit, and were on Ambit's Budget Billing Program at any time during the period between May 4, 2010 and October 24, 2019. A more specific class definition is set forth in the Settlement Agreement at ¶ 11(hh) available at www.BudgetBillingSettlement.com.

According to Ambit's records, you may be a Class Member entitled to receive a payment from the settlement. If you are not sure if you are a Class Member, you can ask for free help by contacting Class Counsel through the contact information provided below or by visiting the website or calling the number for the Claims Administrator provided in this Notice.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide?

The settlement provides a formula for calculating claims of Ambit customers who were enrolled in Ambit's Budget Billing Program during the relevant time period. The amount of your claim depends on when you enrolled with Ambit, the length of time you were a customer on the Budget Billing Program, your usage, your charges, when Ambit's actual billing rates and your actual monthly usage began appearing on your monthly bills, and any offsets, re-bills, refunds, settlements, Rerates, or credits you received. (If you received a cash refund from a previous class action settlement involving Ambit, you will still be eligible to receive a payment from this Settlement.)

Ordinarily, when an energy consumer purchases gas or electricity from a local utility, his or her bill is calculated by multiplying the units of energy the customer consumed during the previous month ("actual energy usage") times the utility's energy supply rate ("actual rate"). Ambit's Budget Billing Program allowed customers to pay a fixed monthly amount that approximates the customer's average monthly usage over a one-year period, and the Budget Billing Rate was a rate used by Ambit as an accounting mechanism to calculate the monthly budget billing amount owed by a customer enrolled in the Budget Billing Program. The Class Representatives allege that the Budget Billing Program was misleading because the Budget Billing Rate was lower than Ambit's actual rate and customers' actual energy usage was not specified on their bills. The Class Representatives allege that this made customers believe that they were paying less for energy, and when customers left Ambit or decided to cancel their enrollment in Budget Billing, they were billed a "settlement charge" showing the difference between the Budget Billing Program charges and actual charges incurred.

If you submit a timely and valid Claim Form (which is enclosed with this Notice) postmarked by **February 18, 2020**, you will be entitled to receive a payment based on a Rerate formula as follows:

Your "Rerate" is, for each month of the Class Period that you were enrolled in the Budget Billing Program, the difference between (i) the total amount that Ambit billed to you for gas and/or electricity and (ii) your actual energy usage multiplied by Ambit's corresponding Budget Billing Rate.

The amount of your claim depends on when your actual energy usage and Ambit's actual rates were first disclosed to you on your monthly energy bill.

"Pre-Disclosure" Payment: If you were on Ambit's Budget Billing Program during a period when Ambit's actual rate and your actual energy usage did not appear on your monthly bills, you will have a claim that is equal to 82.5% of your Rerate for all time periods prior to the date on which your actual usage and Ambit's actual rate were first disclosed to you on your energy bill and ending no later than October 24, 2019, after application of any applicable offsets, re-bills, refunds, settlements, Rerates, or credits.

"Post-Disclosure" Payment: If you were on Ambit's Budget Billing Program during a period after Ambit's actual rate and your actual energy usage were disclosed to you on your monthly bills, you will have a claim that is equal to 22% of your Rerate for each month that you were enrolled in the Budget Billing Program after the date on which your actual usage and Ambit's actual rate began appearing on your bill and prior to October 24, 2019, after application of any applicable offsets, re-bills, refunds, settlements, Rerates, or credits. The reason why Class Members are receiving a lower percentage of their Rerate during the period of time when their bills reflected both their actual usage and Ambit's actual rate is because this disclosure makes it more difficult to prove that a Class Member was misled by the Budget Billing Program during this period of time.

By way of example, if you were enrolled as an Ambit customer and were on the Budget Billing Program from January 1, 2011 until January 1, 2016, and your actual energy usage and Ambit's actual rate began appearing on your bill starting from January 1, 2013, you would be entitled to both a Pre-Disclosure and Post-Disclosure payment. If your Rerate for the period between January 1, 2011 and December 31, 2012 was \$200.00, and your Rerate for the period between January 1, 2013 and January 1, 2016 was \$100.00, your claim would be calculated as $(\$200.00 \times 0.825) + (\$100.00 \times 0.22) = \$187.00$.

Minimum Payment for Positive Rerates: Each Eligible Class Member who was on Ambit's Budget Billing Program during the Class Period and who has a Rerate that is less than or equal to \$33.00 but greater than zero will receive a minimum payment of \$33.00.

By way of example, if you were enrolled as an Ambit customer and were on the Budget Billing Program from January 1, 2011 until January 1, 2013, and both your actual usage and Ambit's actual rate were not disclosed on your energy bill, you would be entitled only to a Pre-Disclosure Payment. If your Rerate for the entire period between January 1, 2011 and January 1, 2013 was \$35, your claim calculation would be $(\$35 \times .825) = \28.88 . But due to the Minimum Payment for Positive Rerates, you would be entitled to a payment of \$33.00.

Minimum Payment for Class Members with Negative and \$0 Rerates: Each Eligible Class Member who was on Ambit's Budget Billing Program during the Class Period and who has a Rerate that is negative or equal to \$0 – i.e., the Class Member is not entitled to any cash benefit – will nonetheless still be entitled to a payment of \$3.00.

HOW TO GET A PAYMENT – SUBMIT A CLAIM FORM

7. How do I get a payment?

To qualify for a payment, you must timely submit the Claim Form enclosed with this Notice. You can also submit an online Claim Form at www.BudgetBillingSettlement.com by using the CLAIMANT CODE beside your name and address on the front of the Claim Form or at the top of your email. You can also download a Claim Form at www.BudgetBillingSettlement.com to submit by mail, or receive one by calling 1-866-860-8927.

You must submit your Claim Form online or by mail so that it is postmarked on or before **February 18, 2020**.

Failure to submit a Claim Form, or submission of an incomplete or untimely Claim Form, will render you ineligible to receive any payment under the settlement. Payments will be sent out only if the Court approves the settlement and it becomes final.

8. What happens if I don't send in a Claim Form?

If you don't send in a Claim Form and don't exclude yourself from the settlement as described in the next section below, you will still be bound by all the terms of the settlement, including releasing claims as described below, but you will not receive any payment from the settlement.

9. What am I giving up to get a payment or stay in the settlement?

Unless you exclude yourself from the settlement, you are staying in the settlement, and that means that if the Court approves the settlement and it becomes final, you cannot sue, continue to sue, or be part of any other lawsuit against Ambit about the issues released as part of the settlement. The settlement provides that there will be a general and broad release of all claims by Settlement Class Members against Ambit Energy Holdings,

LLC, Ambit New York, LLC, and Ambit Northeast, LLC, and each of their current and former parents, subsidiaries, affiliates, predecessors, successors, and assigns, and each of their respective current and former officers, directors, partners, owners, employees, agents, attorneys, and insurers. The Released Claims are further described in ¶ 11(bb) of the Settlement Agreement, available at www.BudgetBillingSettlement.com.

Unless you exclude yourself from the settlement, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

10. What does excluding myself from the settlement mean?

If you don't want to be a part of this lawsuit or settlement, then you may exclude yourself (i.e., opt out) from the settlement. To exclude yourself from the settlement, you must submit a statement to the Claims Administrator with your name, address, and phone number effectively stating "I, [insert name], wish to opt out of the Ambit Budget Billing class action settlement, and not receive any of the monetary benefits provided by the settlement or be bound by the Judgment in the case." Your opt-out statement must be signed and returned to the Claims Administrator at the following address so that it is postmarked on or before **February 18, 2020**:

CLASS ACTION OPT-OUT
Ambit Budget Billing Litigation
Claims Administrator
P.O. Box 43501
Providence, RI 02940-3501

If you choose to opt out of the settlement: (1) you will not get any settlement payment; and (2) you cannot object to the settlement. By opting out, you will not be legally bound by the settlement, and may still pursue your own claims against Ambit at your own expense if they are still timely under the applicable statute of limitations.

OBJECTING TO THE SETTLEMENT

11. How can an objection be made?

If you do not like the settlement, you may object to the settlement. You may not object to the settlement if you exclude yourself from the lawsuit by opting out or if you are not a Class Member. The Court will consider your views, but the settlement may still be approved in spite of your objections.

To object, you must file a written objection with the Clerk of the Court, and must also serve your written objection on the lawyers representing the Class and Ambit at the addresses below. Your objection must be filed with the Court and mailed so that it is postmarked no later than **February 18, 2020**. Your objection must contain the following information: (a) Reference at the beginning to *Little v. Ambit Energy Holdings, LLC* (Civil Action No. 3:16 Civ. 08800) and *Lazarek v. Ambit Energy Holdings, LLC et al.* (Civil Action No. 6:15 Civ. 6361); (b) Your full name, address, and telephone number; (c) A written statement of all grounds for the objection, accompanied by any legal support for such objection; (d) Copies of any papers, briefs, or other documents upon which your objection is based; (e) A list of all persons who will be called to testify in support of the objection, if any; (f) A statement of whether you intend to appear at the Final Approval Hearing, and, if you intend to appear at the Final Approval Hearing through counsel, the identity of all attorneys representing you who will appear; (g) A statement of your membership in the Settlement Class, including all information required by the Claim Form; and (h) A detailed list of any other objections you or your counsel have submitted to any class actions in any court, whether state or federal, in the United States in the previous five (5) years, or a statement that you and your counsel have not objected to any other class action settlement in any court in the United States in the previous five (5) years.

If you wish to object to the settlement and you do not serve a written objection containing all of the information listed above, you will not be permitted to object to the settlement and will be foreclosed from seeking any review of the settlement by any means, including but not limited to an appeal. Members of the Settlement Class who do not timely make their objections in this manner will be deemed to have waived all objections and will not be entitled to be heard at the Fairness Hearing.

You have the right to retain a lawyer at your own expense to file your objection. If your lawyer intends to appear at the Fairness Hearing, your lawyer must file and serve a notice of appearance with the Clerk of the Court.

COURT	CLASS COUNSEL	
Clerk of the Court United States District Court District of New Jersey 402 East State Street Trenton, NJ 08608	Steven L. Wittels Wittels Law, P.C. 18 Half Mile Road Armonk, NY 10504	Jeffrey A. Klafter Klafter Olsen & Lesser LLP 2 International Drive, Suite 350 Rye Brook, NY 10573
	AMBIT'S COUNSEL	
	Nicole L. Williams Thompson & Knight LLP 1722 Routh Street, Suite 1500 Dallas, TX 75201	

THE LAWYERS REPRESENTING YOU

12. Who is Class Counsel?

The Court has appointed the following lawyers to represent you and the Class: Steven L. Wittels, J. Burkett McInturff, and Tiasha Palikovic of Wittels Law, P.C. and Jeffrey A. Klafter and Fran L. Rudich of Klafter Olsen & Lesser LLP.

Class Counsel will also ask the Court to authorize service awards of up to \$2,500 each to five former Ambit customers who assisted in the prosecution of this action and provided important information used to achieve the settlement. To the extent the Court approves these service awards, they will be paid out of the legal fees and litigation expenses approved for Class Counsel by the Court.

Class Counsel have worked for more than three years without pay or any guarantee of obtaining a recovery for Ambit's current and former New York, Maryland, and New Jersey customers as described in this Settlement Notice. In class actions like this one, it is customary for the attorneys representing a class to request a legal fee, which is typically 33.33% of the value of the benefits provided to the class, and those fees can reduce the total amount available to the class. In this case, however, Ambit has agreed (subject to Court approval) to reimburse Class Counsel for certain legal fees, and such payments will not reduce the recovery to Class Members under the formulas described above in paragraph 6. Class Counsel will ask the Court for reimbursement of legal fees, inclusive of both reasonable litigation costs and service awards, of just 29.5% or less (\$1,080,000) of the aggregate settlement value estimated by Class Counsel for all eligible Class Members. You are not personally responsible for payment of attorneys' fees or expenses to Class Counsel.

THE FAIRNESS HEARING

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

The Court will hold a Fairness Hearing on the fairness and adequacy of the proposed settlement and its terms, and to consider Class Counsels' request for an award of attorneys' fees and expenses and service awards, on **April 2, 2020** at 11:00 a.m., before the Honorable Peter G. Sheridan, at 402 East State Street, Trenton, NJ 08608. *You do not have to appear at this Fairness Hearing.* At or after the hearing, the Court will decide whether to approve the settlement and the requests for awards, fees, expenses, and costs. We do not know how long a decision by the Court will take to be made.

GETTING MORE INFORMATION

14. How do I get more information about the settlement?

You can contact the Claims Administrator at 1-866-860-8927 or you may visit the website at www.BudgetBillingSettlement.com where you will find the full Settlement Agreement, Claim Form, answers to frequently asked questions about the settlement, and certain litigation documents.

You can contact Class Counsel listed above. You can also request to see the Court file for *Little v. Ambit Energy Holdings, LLC* (Civil Action No. 3:16 Civ. 08800) during regular business hours in the Clerk's Office at 402 East State Street, Trenton, NJ 08608 and for *Lazarek v. Ambit Energy Holdings, LLC et al.* (Civil Action No. 6:15 Civ. 6361) in the Clerk's Office at 100 State Street, Rochester, NY 14614.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
OR AMBIT ENERGY WITH INQUIRIES ABOUT THE SETTLEMENT**