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SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

ALBERTO ESCALANTE, individually and
on behalf of all individuals similarly situated,

Plaintiff,

vs.

NATIONAL TRANSMISSION PRODUCTS,
LLC, a Delaware limited liability company;
TETL HOLDING, LLC, a Delaware limited
liability company; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO. 20STCV43203

[CLASS ACTION]

*[Assigned for all purposes to Hon. William F.
Highberger, Dept. SSC10]*

**JOINT STIPULATION AND
SETTLEMENT AGREEMENT**

Action Filed: November 12, 2020

Subject to Final Approval by the Court, this Joint Stipulation and Settlement Agreement
("Stipulation") is between Plaintiff ALBERTO ESCALANTE, on behalf of himself and all
others similarly situated to him and as defined below, on the one hand, and NATIONAL
TRANSMISSION PRODUCTS, LLC and TETL HOLDING, LLC.

I. The Parties to this Stipulation.

This Stipulation (with the associated exhibits) is made and entered into by and among

the following parties (collectively, the “Parties” or “Settling Parties”): (i) Plaintiff Alberto Escalante (on behalf of himself and each of the members of the Class), with the assistance and approval of his counsel (the “Class Counsel”); and (ii) Defendants National Transmission Products, LLC and TETL Holding, LLC (hereinafter “Defendants”), with the assistance of their counsel. The Stipulation is intended by the Settling Parties to result in a Judgment and to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below) upon and subject to the terms and conditions hereof.

II. Procedural Posture.

On November 12, 2020, Plaintiff Alberto Escalante, a former employee of Defendants, initiated the action against Defendants in Los Angeles County Superior Court, in the matter entitled *Alberto Escalante v. National Transmission Products, LLC*, et al, Case No. 20STCV43203 (the “Action”) by filing a putative class action Complaint against Defendants in Los Angeles County Superior Court. In the Complaint, Plaintiff alleged causes of action for: (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To Pay Minimum Wages In Violation Of Labor Code §§ 1182.12, 1194, 1194.2, 1197; (4) Failure To Pay Overtime Compensation In Violation Of Cal. Labor Code § 1194, et seq.; (5) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (6) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (7) Failure To Reimburse Business Expenses In Violation Of Cal. Labor Code § 2802; And (8) Violations Of Cal. B&P Code §§ 17200, et seq. Thereafter, on August 11, 2021, Plaintiff filed a First Amended Complaint adding a claim for civil penalties under the California Private Attorneys General Act of 2004, Cal. Labor Code § 2698 et seq. (“PAGA”) (hereinafter, the “Litigation”).

On May 14, 2021, the parties participated in a full-day mediation before experienced employment mediator Eve Wagner, Esq. At mediation, the parties engaged in an intensive discussion regarding their evaluations of the Litigation, the risks and delays of further litigation

1 and the relevant wage statement analysis models to further assist in negotiations. With the aid
2 of the mediator, the parties reached a settlement of the case. The parties were able to resolve
3 the matter and agreed to enter into this Joint Stipulation and Settlement Agreement.

4 This Stipulation pertains to the Plaintiff's Complaint and First Amended Complaint in
5 the Litigation, and Plaintiff Alberto Escalante's letter dated May 18, 2021 to the California
6 Labor Workforce and Development Agency seeking civil penalties under PAGA for
7 Defendants' alleged Labor Code violations.

8 **III. No Admissions or Concessions Regarding Fault or Liability.**

9 This Stipulation and compliance with this Stipulation shall not be construed as an
10 admission, concession, or indication by either party with respect to fault or liability whatsoever
11 for the claims asserted in the Litigation, or as an admission by either party that the Litigation is
12 either appropriate or inappropriate for class certification. The Parties are agreeing that the
13 Litigation is appropriate for class certification only for the purposes of class settlement as
14 described within this Stipulation.

15 **IV. Defendants' Denial of Wrongdoing or Liability.**

16 Whether or not the settlement is finally approved, this Stipulation and compliance with
17 this Stipulation shall not be construed as an admission, concession, or indication by Defendant
18 of any fault or liability whatsoever for the claims asserted in the Litigation, or as an admission
19 by Defendants that the Litigation is appropriate for class certification other than for purposes of
20 class settlement as described within this Stipulation. Defendants adamantly deny all of the
21 claims and contentions alleged by the Plaintiff Alberto Escalante in the Litigation, and do not
22 waive and reserve all defenses disputing liability, class certification, and damages. Defendants
23 contend they appropriately paid its employees and that, if this matter were to be further
24 litigated, they would have strong defenses on the merits and as to class certification.
25 Nonetheless, Defendants have concluded that to continue the Litigation would be protracted and
26 expensive and that it is desirable that the Litigation be fully and finally settled in the manner
27 and upon the terms and conditions set forth in this Stipulation.

28 The Stipulation will not be disclosed, referred to or offered or received in evidence

1 against the Defendants, in any further proceeding in the Litigation, or any other civil, criminal
2 or administrative action or proceeding except for the purposes of settling this Litigation or
3 enforcing the terms contained herein.

4 Defendants do not waive, but rather expressly reserve, all rights to challenge all such
5 claims and allegations in the Litigation upon all procedural and factual grounds, including
6 without limitation the ability to challenge class treatment on any grounds or to assert any and all
7 defenses or privileges if this Stipulation is deemed void or does not take effect.

8 **V. Claims of the Class Representative and Benefits of Settlement.**

9 Plaintiff Alberto Escalante, the putative class representative, believes that the claims
10 asserted in the Litigation have merit. Plaintiff and Class Counsel recognize and acknowledge,
11 however, the expense and length of the type of continued proceedings necessary to prosecute
12 the Litigation against Defendants through trial and through appeals. Plaintiff and Class Counsel
13 have also taken into account the uncertain outcome and the risk of any litigation, especially in
14 putative class actions such as this Litigation, as well as the difficulties and delays inherent in
15 such litigation. Plaintiff and Class Counsel are also mindful of the unsettled and evolving
16 nature of the law that supports the defenses to the claims asserted in the Litigation. In light of
17 these considerations, Class Counsel is of the opinion that the consideration and terms of the
18 Stipulation as set forth below are fair, reasonable, and adequate in light of all known facts and
19 circumstances, and are in the best interests of the putative Class as a whole. Class Counsel is
20 also of the opinion that the total consideration and payment set forth in this Stipulation is
21 adequate in light of the uncertainties surrounding the risk of further litigation, and the possible
22 defenses and offset claims that Defendant have asserted and could assert.

23 **VI. Terms of Stipulation and Agreement of Settlement.**

24 **A. Definitions**

25 As used in all parts of this Stipulation (including the exhibits which are incorporated as
26 part of the Stipulation), the following terms have the meanings specified below (other definitions
27 are included within the Stipulation and are identified by parentheticals with quotes (“ ”)):

28 1.1 “NCOA Check” means within fourteen (14) calendar days from the date the Court

preliminarily approves this Agreement, the Settlement Administrator will perform an NCOA check for Class Members' most current address based on the information provided by Defendants and will mail the Court approved notices to the Class Members.

1.2 "Settlement Administrator" means the third-party claims administration firm mutually selected by the parties, Simpluris, Inc.

1.3 "Class" or "Class Members" means all individuals who have been, or currently are, employed by Defendants as "non-exempt employees" during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees.. The Class is composed of approximately 74 individuals.

1.4 "Class Counsel" and "Plaintiff's Counsel" means:

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1.5 "Net Settlement Amount" means the amount that Defendants will pay (subject to the occurrence of the Effective Date) to all Settlement Class Members and Class Members who are Eligible Aggrieved Employees, after subtracting all of the following from the Maximum Settlement Amount: (1) the maximum total gross amount Defendants will pay (subject to the occurrence of the Effective Date) to Class Counsel for attorney fees, which is \$74,999.93 (subject to court approval); (2) the maximum total gross amount Defendants will pay (subject to the occurrence of the Effective Date) to Class Counsel for costs and Litigation expenses, which is to be no more than \$15,000 (subject to court approval); (3) the

1 maximum total gross amount Defendants will pay (subject to the occurrence of
2 the Effective Date) to Plaintiff Alberto Escalante as a service award and for his
3 release of claims that Plaintiff has or may have against the Released Parties (as
4 defined below), which is to be no more than \$5,000 (subject to court approval);
5 (4) the maximum total gross amount Defendants will pay (subject to the
6 occurrence of the Effective Date) to the Settlement Administrator, which shall be
7 no more than \$10,000 (subject to court approval); and (5) the maximum total
8 gross amount Defendants will pay (subject to the occurrence of the Effective
9 Date) as PAGA Penalties to the Labor Workforce and Development Agency,
10 which will be \$15,000. The Net Settlement Amount is currently estimated to be
11 approximately \$105,000.07 which will be subject to employee and employer's
12 share of state and federal employment and payroll taxes and withholdings prior to
13 distribution to Settlement Class Members ("Employment and Payroll Taxes") but
14 the Settling Parties acknowledge that this figure may change depending on the
15 extent which the Court approves the allocations stated in this paragraph-

16
17 1.6 "Class Period" means the following: November 12, 2016 up to and including the
18 date of the Court's preliminary approval of this Agreement.

19 1.7 "Class Representative" means Plaintiff Alberto Escalante, the individual
20 designated in the Complaint and the First Amended Complaint to serve as the
21 official representative of the Class.

22 1.8 "Court" means the Superior Court of the State of California, for the County of
23 Los Angeles.

24 1.9 "Effective Date" shall mean the latter of: (a) the Court's final approval of the
25 settlement if no objections by or on behalf of Class Members have been filed; (b)
26 the time for appeal has expired if an objection has been filed and no appeal has
27 been filed or withdrawn; (c) the final resolution of any appeal that has been filed.

28 1.10 "Maximum Settlement Amount" shall mean the maximum total settlement

1 amount to be paid by Defendants pursuant to this Stipulation, which amount is
2 \$225,000, and is non-reversionary.

3 1.11 "Individual Settlement Amount" shall mean the total gross amount due from the
4 Net Settlement Amount to an individual Settlement Class Member, inclusive of
5 pre- and post-judgment interest and penalties, and subject to Employment and
6 Payroll Taxes, which shall be allocated and distributed to Class Members based
7 on the number of weeks a Class Member worked during the Class Period
8 ("workweek."). Class Members will not have to submit a claim form in order to
9 be issued payment pursuant this Settlement. Each participating Settlement Class
10 Member shall receive a proportionate settlement share based upon the number of
11 workweeks worked during the Class Period, the numerator of which is the
12 Settlement Class Member's total workweeks worked during the Class Period, and
13 the denominator of which is the total workweeks worked by all Settlement Class
14 Members who worked during the Class Period.

15 1.12 "Individual PAGA Payment(s)" means the amount payable to each Eligible
16 Aggrieved Employee from the portion of the PAGA payment allocated to the
17 Eligible Aggrieved Employees under the terms of this Stipulation. Eligible
18 Aggrieved Employees are not required to submit a claim form to receive their
19 Individual PAGA Payment.

20 1.13 "Alberto Escalante" means Alberto Escalante, the named plaintiff in the
21 Litigation and Class Representative.

22 1.14 "Judgment" or "Final Judgment" means the judgment to be rendered by the Court
23 pursuant to this Stipulation, substantially in the form attached hereto as **Exhibit 3**,
24 titled "[Proposed] Order Granting Final Approval of Settlement and Entry of
25 Judgment." This Judgment shall be a judgment for purposes of California Rule of
26 Court 3.771(a).

27 1.15 "Labor and Workforce Development Agency" or "LWDA" means the California
28 agency that pursuant to California *Labor Code* section 2698, *et seq.* shall receive

1 an amount equal to seventy-five percent (75%) of the amount allocated for PAGA
2 Penalties in settlement of the Litigation.

3 1.16 "Last Known Address" means the most recently recorded mailing address for a
4 Class Member which is contained in the personnel records maintained by
5 Defendants.

6 1.17 The "Litigation" shall mean all the causes of action alleged in the Complaint and
7 the First Amended Complaint, in the lawsuit pending in the Court presently
8 styled, *Alberto Escalante v. National Transmission Products, LLC, et al.*, Los
9 Angeles County Superior Court, Case No. 20STCV43201.

10 1.18 The "Non-Settlement Class" or "Non-Settlement Class Member(s)" or "Member
11 of the Non-Settlement Class" consists of or means the group of all Class Members
12 who properly and timely elect to Opt Out (as defined below) of the settlement by
13 requesting exclusion from the class action settlement pursuant to Paragraph 3.3.4
14 of the Stipulation.

15 1.19 "Notice of Proposed Class Action Settlement" or "Class Notice(s)" means a
16 notice titled "Notice of Proposed Class Action Settlement" to be approved by the
17 Court, substantially in the form attached hereto as **Exhibit 2**. The "Notice of
18 Proposed Class Action Settlement" shall constitute the class notice pursuant to
19 California Rule of Court 3.769(f) and, once approved by the Court, shall be
20 deemed compliant with California Rule of Court 3.766(d).

21 1.20 "Notice Mailing Deadline" means the deadline for the Settlement Administrator
22 to mail the Class Notices to Class Members, which shall be no later than twenty-
23 one (21) calendar days after the Preliminary Approval Date.

24 1.21 "Objection Deadline" means the deadline for a Class Member to object to the
25 settlement, which date shall be indicated on the Class Notices mailed by the
26 Settlement Administrator and which shall be postmarked no later than forty-five
27 (45) calendar days after the Notice Mailing Deadline.

28 1.22 "Opt Out" or "Opt Outs" means a completed request in writing to be excluded or

1 opt-out signed by a Class Member indicating he or she wishes to be excluded
2 from the Settlement Class and in the manner specified in the Class Notice, no
3 later than the Opt Out Deadline.

4 1.23 "Opt Out Deadline" means the deadline for a Class Member to Opt Out of the
5 settlement, which date shall be indicated on the Class Notices mailed by the
6 Settlement Administrator and which shall be postmarked no later than forty-five
7 (45) calendar days after the Notice Mailing Deadline.

8 1.24 "Order of Final Approval and Entry of Judgment", "Final Approval" or "Order
9 Granting Final Approval of Settlement and Entry of Judgment" shall mean the
10 Final Approval Order and Judgment substantially in the form attached hereto as
11 **Exhibit 3**. The "Judgment," shall constitute approval pursuant to California Rule
12 of Court 3.769(a).

13 1.25 PAGA refers to the California Labor Code Private Attorneys General Act of 2004
14 (Cal. Labor Code §§ 2698 *et seq.*).

15 1.26 "PAGA Notice" refers to the May 18, 2021 letter sent by Plaintiff Alberto
16 Escalante to the Labor Workforce and Development Agency asserting claims for
17 civil penalties under PAGA for alleged Labor Code violations by Defendants.

18 1.27 "PAGA Penalties" means the penalties pursuant to California *Labor Code* section
19 2698, *et seq.*, the *Labor Code* Private Attorneys General Act of 2004 ("PAGA"),
20 that the Settling Parties have agreed is a reasonable sum to be allocated in
21 settlement of the PAGA claims included in the Litigation, which is \$20,000. The
22 PAGA Penalties allocation is subject to approval by the Court pursuant to *Labor*
23 *Code* section 2699 *et seq.* and are to be distributed as follows: seventy-five
24 percent (75%) to the LWDA and twenty-five percent (25%) to Eligible Aggrieved
25 Employees on a *pro rata* basis, as set forth below.

26 1.28 "PAGA Period" means the period from May 18, 2020 to the Court's preliminary
27 approval of the settlement agreement.

28 1.29 "Eligible Aggrieved Employees" means all current and former non-exempt

employees who worked at least one pay period for Defendants in California at any time during the PAGA Period.

1.30 "PAGA Released Claims" means all allegations and claims for civil penalties pursuant to PAGA based on any and all underlying claims asserted in PAGA Notice and the operative complaint in the Litigation arising during the PAGA Period.

1.31 "Person" means a natural person.

1.32 "Plaintiff" shall mean Alberto Escalante, the named plaintiff in this Litigation.

1.33 "Preliminary Approval Date" shall mean the date on which the Court grants preliminary approval of the settlement.

1.34 "Preliminary Approval Order" or "Order Granting Preliminary Approval of the Settlement and Setting a Settlement Fairness Hearing" shall mean an order to be executed and filed by the Court titled "Order Granting Preliminary Approval of the Settlement and Setting a Settlement Fairness Hearing," substantially in the form attached hereto as **Exhibit 1**. This Preliminary Approval Order shall constitute an order certifying a provisional class for settlement purposes only pursuant to California Rule of Court 3.769(d) and an order setting a final approval/fairness hearing pursuant to California Rule of Court 3.769(e).

1.35 "Reasonable Address Verification" shall mean the utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a Last Known Address Provided by Defendants to the Settlement Administrator.

1.36 "Class Action Released Claims" shall mean any and all claims alleged in the First Amended Complaint or which could have been alleged in the First Amended Complaint based on the factual allegations alleged therein, including, but not limited to state wage and hour claims for any and all violations of California Labor Code and Unfair Competition Law based on (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and

1 Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Rest
2 Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California
3 Code of Regulations § 11050; (3) Failure To Pay Minimum Wages In Violation
4 Of Labor Code §§ 1182.12, 1194, 1194.2, 1197; (4) Failure To Pay Overtime
5 Compensation In Violation Of Cal. Labor Code § 1194, *et seq.*; (5) Failure To
6 Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (6)
7 Failure To Pay Compensation Upon Termination Of Employment In Violation Of
8 Cal. Labor Code §§ 201-203; (7) Failure To Reimburse Business Expenses In
9 Violation Of Cal. Labor Code § 2802; And (8) Violation of Labor Code § 2698, *et*
10 *seq.* (“PAGA”); and (9) Violations Of Cal. B&P Code §§ 17200, *et seq.* seeking,
11 *inter alia*, damages, penalties, attorneys' fees, interest, for alleged wage and hour
12 violations including, but not limited to, wage and hour violations, failure to
13 provide meal and rest breaks, and failure to pay premium pay, failure to furnish
14 accurate, itemized wage statements, failure to timely pay wages upon discharge or
15 quit.

16 1.37 The Class consists of all individuals who have been, or currently are, employed
17 by Defendants as “non-exempt employees” during the Class Period. Excluded
18 from the Class are employees who work only administrative and managerial
19 functions as exempt employees.

20 1.38 “Settlement Class” or “Settlement Class Members” or “Members of the
21 Settlement Class” means any, or collectively all Class Members who do not Opt
22 Out of the settlement by submitting Opt Outs pursuant to Paragraph 3.3.3 and,
23 thus, become bound by the Judgment.

24 1.39 “Settlement Hearing” or “Final Approval Hearing” means a hearing set by the
25 Court to take place for the purpose of: (i) determining the fairness, adequacy, and
26 reasonableness of the Stipulation and associated settlement pursuant to class
27 action procedures and requirements; (ii) determining the good faith of the
28 Stipulation and associated settlement; and (iii) entering Judgment. This

1 Settlement Hearing is intended to be the settlement hearing or final approval
2 hearing required under California Rule of Court 3.769(a).

3 1.40 "Parties" or "Settling Parties" means Defendants National Transmission Products,
4 LLC and TETL Holding, LLC and the Plaintiff Alberto Escalante on behalf of
5 himself and all Settlement Class Members.

6 1.41 "National Transmission Products, LLC" means Defendant National Transmission
7 Products, LLC.

8 1.42 "Released Parties" means Defendants, each of their respective past, present and
9 future parent companies, subsidiaries, affiliates, current and former management
10 companies, shareholders, members, agents accountants, insurers, reinsurers,
11 claims administrators, attorneys and any past, present or future owners, officers,
12 directors and employees, predecessors, successors, or assigns thereof.

13 1.43 "Stipulation" means this Joint Stipulation and Settlement Agreement and all of its
14 attachments and exhibits, which the Settling Parties understand and agree sets
15 forth all material terms and conditions of the settlement between them, and which
16 is subject to Court approval.

17 1.44 "Updated Address" means a mailing address that was updated by way of
18 Reasonable Address Verification, by way of an updated mailing address provided
19 by the United States Postal Service, a Class Member, Experian Skip Tracing, or a
20 Locator Service.

21
22 2.1 *Settlement Amount, Timing of Payments, Tax Reporting Obligations, and Other*
23 *Obligations of Defendants and the Settlement Administrator.*

24 2.1.1. The Maximum Settlement Amount shall be Two Hundred Twenty Five
25 Thousand (\$225,000). Defendants' monetary obligation under this Stipulation is limited to the
26 amount defined as the Maximum Settlement Amount (\$225,000.) Defendants shall pay the
27 Maximum Settlement Amount to the Settlement Administrator for disbursement consistent with
28 this Stipulation within thirty (30) calendar days of the Effective Date. Defendants will not be

1 called upon or required to contribute additional monies above the Maximum Settlement Sum
2 under any circumstances whatsoever except for the Defendants' liability for the payroll taxes.
3 In the event that this Stipulation is canceled, rescinded, terminated voided, or nullified, however
4 that may occur, or the settlement of the Litigation by operation of law, or invalidated, or ordered
5 not to be carried out by a Court of competent jurisdiction, Defendants will cease to have any
6 obligation to pay any portion of the Maximum Settlement Sum under the terms of this
7 Stipulation, and all previous disbursements made by Defendants will immediately revert back to
8 Defendants.

9 2.2 The Settlement Administrator will administer the settlement by distributing the
10 Class Notice, performing an NCOA check, receiving Opt Out requests, adjudicating Class
11 Members' disputes over the total number of workweeks worked by Class Members during the
12 Class Period, providing Class Counsel and counsel for Defendants with updates on the status of
13 percentage of Opt Outs, handling inquiries about the calculation of the Individual Settlement
14 Amounts, and providing Defendants with the appropriate tax reporting documentation. The
15 actions of the Settlement Administrator shall be governed by the terms of this Stipulation.
16 Defendants, through their counsel, may provide written information needed by the Settlement
17 Administrator pursuant to the Stipulation.

18 2.2.1. The Settlement Administrator, shall pay no later than fifteen (15) calendar
19 days after the receipt of the Maximum Settlement Amount by the Settlement Administrator
20 from Defendants:

21 (a) Attorneys' Fees and Litigation Costs: Class Counsel shall submit their
22 Application for Award of Attorneys' Fees and Costs to the Court before the
23 Settlement Hearing. Class Counsel will seek attorneys' fees not to exceed
24 \$74,999.93 (1/3 of the Settlement Sum) and litigation costs and expenses not to
25 exceed \$15,000 from the Settlement Sum, subject to court approval. Class
26 Counsel shall serve Defendants with copies of all documents in support of their
27 Application for Award of Attorneys' Fees and Costs. Defendants agree not to
28 oppose the Application for Award of Attorneys' Fees and Costs. Class Counsel

1 and the Class Representative agree to provide original signed W9 forms to the
2 Settlement Administrator. The Settlement Administrator will report the
3 attorneys' fees on a Form 1099, which it will provide to Class Counsel and to
4 the pertinent taxing authorities.

5 (b) Class Representative Service Award: Subject to Court approval, the Class
6 Representative shall receive a service payment of \$5,000. Defendants agree not
7 to oppose the request for, or the amount of, the Class Representative's service
8 award. Since it is the intent of the Settling Parties that the service award to the
9 Class Representative is for his services on behalf of the Class and his full release
10 of all claims against Defendants, and not wages, the Settlement Administrator
11 will not withhold any taxes from the service awards. The Settlement
12 Administrator will report the service award on a Form 1099, which it will
13 provide to the Class Representative and to the pertinent taxing authorities. The
14 Class Representative agrees to provide an original signed W9 form to the
15 Settlement Administrator prior to issuance of the Class Representative Service
16 Award.

17 (c) Settlement Administration Costs: Subject to Court approval, the Settlement
18 Administrator shall be paid an amount which is expected to not exceed \$10,000
19 for all fees and costs relating to the administration of this settlement, including
20 but not limited to all the duties set forth in Paragraph 2.2.4, all tax document
21 preparation, custodial fees and accounting fees, all costs and fees associated
22 with preparing, issuing, and mailing any and all Class Notices, all costs and fees
23 associated with computing, reviewing, and paying distributions from the
24 Maximum Settlement Amount, all costs and fees associated with preparing any
25 tax returns and any other filings required by any governmental taxing authority
26 or agency, all costs and fees associated with preparing any other notices,
27 reports, or filings to be prepared in the course of administering disbursements
28 from the Maximum Settlement Amount, and any other costs and fees incurred

1 and/or charged by the Settlement Administrator in connection with the
2 execution of its duties under this Stipulation.

3 (d) PAGA Penalties to the LWDA: Subject to Court approval, \$15,000 shall be paid
4 to the LWDA for PAGA Penalties, which represents the seventy-five percent
5 (75%) share of the \$20,000 portion of the Maximum Settlement Amount
6 allocated to PAGA and payable to the LWDA pursuant to *Labor Code* section
7 2698, *et seq.*

8 (e) PAGA Penalties to Eligible Aggrieved Employees: Subject to Court approval,
9 \$5,000 shall be paid to Eligible Aggrieved Employees, which represents the
10 twenty-five (25%) share of the \$20,000 portion of the Maximum Settlement
11 Amount allocated to PAGA and payable to Eligible Aggrieved Employees. The
12 Settlement Administrator shall pay each Eligible Aggrieved Employee
13 according to his or her proportional share, which will be based upon the total
14 number of pay periods he or she worked during the PAGA Period. Each Eligible
15 Aggrieved Employees who was employed by Defendants during the PAGA
16 Period, shall receive a portion of the \$5,000 of PAGA Penalties proportionate
17 to the number of pay periods that he or she worked during the PAGA Period,
18 and which will be calculated by multiplying the PAGA Penalties by a fraction,
19 the numerator of which is the Aggrieved Employee's number of pay periods
20 worked during the PAGA Period, and the denominator of which is the total
21 number of pay periods worked by all Eligible Aggrieved Employees during the
22 PAGA Period..

23 (f) Payments to Settlement Class Members: Payment to Settlement Class Members
24 will be made in conformity with Paragraph 1.11, , and each of the payments to
25 Settlement Class Members will be inclusive of interest and penalties, and will
26 be allocated as follows: 33% as wages and 67% as penalties and interest. The
27 wage portion of all settlement payments shall be subject to Employment and
28 Payroll Taxes and shall be reported on IRS Form W-4. The non-wage portion

1 will not be subject to any Employment and Payroll Taxes and shall be reported
2 on IRS Form 1099. Settlement Class Members will have one hundred and
3 eighty (180) calendar days to negotiate their respective settlement payments
4 under this Agreement. Any checks not negotiated within the one hundred and
5 eighty (180) calendar days will be subject to the Cy Pres provision set forth in
6 Paragraph 2.2.4.

7 2.2.2. The Settlement Administrator shall compute the Individual Settlement
8 Amount for the Settlement Class Members as follows:

- 9 (a) The payment of the Individual Settlement Amounts will be calculated by using
10 the formula set forth in Paragraphs 1.11.
11 (b) The Settling Parties agree that the above-described formula and distribution
12 methods are reasonable and fair in light of the Settling Parties' investigation of
13 the claims of the Class, and the relative degree of uncertainty, risk of outcome
14 of further litigation, and difficulties and delays inherent in such litigation of
15 these claims.

16 2.2.3. The Settlement Administrator, will report each payment made on the
17 Settlement Sum to government authorities including the Internal Revenue Service as required by
18 law.

19 2.2.4. Settlement checks will be valid for 180 days, and all funds remaining from
20 uncashed checks after 180 days shall be handled pursuant to California Code of Civil Procedure
21 section 384. Uncashed checks shall be submitted to the State Controller's Office.

22 2.2.5 Other than the withholding of employee's and employer's share of taxes
23 with respect to the wage portion of settlement payments, the Class Representative and the Class
24 are solely responsible for the reporting and payment of the employee's share of any federal, state,
25 and/or local income or other tax or any other withholdings due with respect to any other funds
26 received as a part of this settlement, if any. The Class Representative agrees to defend, indemnify
27 and hold Defendants harmless for and against any damage or tax penalty Defendants incur as a
28 result of the failure by the Class Representative to pay all taxes due by his receipt of payments

1 pursuant to this Stipulation. Class Counsel agrees to defend, indemnify and hold Defendants
2 harmless for and against any damage or tax penalty Defendants incur as a result of the failure by
3 Class Counsel to pay all taxes due as a result of Class Counsel's receipt of payments pursuant to
4 this Stipulation.

5 2.2.6 The Settlement amounts paid to the Class Representative and the Settlement
6 Class shall be deemed not to have any effect on the eligibility for, or calculation of, any employee
7 benefits (e.g., bonus, vacations, holiday pay, 401(k) or matching benefits, retirement plans, etc.),
8 if any.

9 **B. Procedure for Approval and Implementation of Settlement.**

10 3.1 *Preliminary Approval.*

11 3.1.1. The Class Representative, through his counsel of record, shall file this
12 Stipulation with the Court and will apply for an unopposed Preliminary Approval Order
13 approving of this Stipulation pursuant to California Rule of Court 3.769(c). By this Stipulation,
14 the Class Representative requests that the Court enter the Order Granting Preliminary Approval
15 of Settlement and Setting a Fairness Hearing (**Exhibit 1**), thereby approving the distribution of
16 the Class Notice and scheduling the Settlement Fairness Hearing (pursuant to California Rule of
17 Court 3.769(e)) for purposes of determining the good faith of the settlement, granting final
18 approval of the settlement, granting final approval of this Stipulation, and obtaining entry of
19 Judgment. By this same application, the Class Representative, through Class Counsel, shall,
20 pursuant to California Rule of Court 3.769(b), advise the Court of the agreements set forth in
21 this Stipulation regarding the amount of Class Counsel's attorneys' fees and costs and the Class
22 Representative's service award sought.

23 3.1.2. Within a reasonable time after execution of this Stipulation, Plaintiff shall
24 submit this Stipulation and the preliminary approval motion to the LWDA as required by
25 PAGA.

26 3.1.3. Prior to the Court granting preliminary approval, Plaintiff Alberto
27 Escalante agrees to not discuss or mention the terms of this Stipulation other than with
28 accountants or lawyers as necessary for tax purposes in connection with payments provided for

1 by the Stipulation.

2 3.1.4. Failure of the Court to enter the Preliminary Approval Order in its entirety
3 will be grounds for Defendants to terminate the settlement and the terms of this Stipulation
4 pursuant to Paragraph 3.6; however, pursuant to Paragraph 3.6, the Settling Parties are to take
5 all reasonable steps to cure any deficiencies so as to avoid any termination of the settlement.

6 3.2 *Notice to Class Members.*

7 If, by entering the Preliminary Approval Order, the Court provides authorization to send the
8 Class Notices, the Settlement Administrator will undertake the mailing of the Class Notice to all
9 Class Members, no later than Twenty-One (21) calendar days after the Preliminary Approval
10 Date. The Class Notices shall be mailed via first class mail through the United States Postal
11 Service, postage pre-paid. The envelope containing the Class Notice shall bear the following
12 phrase in bold type, ¼ inch below the return address or ¼ inch above the addressee's address:
13 RETURN SERVICE REQUESTED. The envelope shall also bear the following phrase in the
14 bottom left hand corner: IMPORTANT – NATIONAL TRANSMISSION PRODUCTS, LLC
15 and TETL HOLDING, LLC CLASS ACTION SETTLEMENT INFORMATION. PLEASE
16 OPEN IMMEDIATELY. The mailing enclosing the Class Notice will not contain any other
17 materials. The Class Notice and its envelope or covering shall be marked to denote the return
18 address of the Settlement Administrator.

19 3.2.1. Defendants shall prepare a list, in an electronically usable format, for the
20 Settlement Administrator containing for each Class Member, to the extent Defendants have
21 such information, the following: the first, last, and middle name; Last Known Address; social
22 security numbers; Class Member workweeks; Aggrieved Employees pay periods and any other
23 information required to effectuate the Settlement. By approving this settlement, the Court will
24 be deemed to have authorized Defendants to provide the Settlement Administrator with this
25 information, including the social security numbers of the Class Members. Defendants shall
26 provide this list to the Settlement Administrator within fourteen (14) calendar days of the
27 Preliminary Approval Date. The list, and any other data provided by Defendants to the
28 Settlement Administrator shall be treated as confidential and not subject to disclosure by the

1 Settlement Administrator, except as necessary to address disputed workweeks, to respond to a
2 specific inquiry from a Class Member, to any third party as required by the Court, and/or as
3 otherwise necessary for the Settlement Administrator to perform their obligations described in
4 this Stipulation. Further, the Settlement Administrator shall use commercially reasonable efforts
5 to secure the data provided by Defendants at all times so as to avoid inadvertent or unauthorized
6 disclosure or use of such data other than as permitted by this Stipulation, and shall destroy the
7 data (and all copies of it) in a complete and secure manner when such data is no longer required
8 for purposes of this Stipulation. At no time during the settlement process will any Class
9 Member's name, address or social security number be filed with the Court, except to the extent
10 required in relation to any objection that are filed by Class Members or to inform the Court of
11 those individuals who are members of the Non Settlement Class and thus not bound by the
12 settlement. The Settlement Administrator shall ensure that the notices and any other
13 communications to Class Members shall not include the Class Members' social security
14 number, except for the last four digits.

15 3.2.2. For the Class Representative, the Settlement Administrator shall mail the
16 Class Notice to the Class Representative in care of Class Counsel at Class Counsel's address.

17 3.2.3. Prior to mailing the Class Notice, the Settlement Administrator shall
18 undertake a NCOA check to ascertain the accuracy of the Last Known Address of the Class
19 Member. To the extent this process yields an Updated Address, the Updated Address shall
20 replace the Last Known Address and be treated as the new Last Known Address for purposes of
21 this Stipulation, for Class Notice mailing and mailing of settlement checks.

22 3.2.4. If a Class Member is known to be deceased, the Class Notice for that
23 deceased Class Member shall be mailed to the Last Known Address (or Updated Address, if
24 applicable) of the legal representative of the deceased Class Member's estate, to the extent
25 known.

26 3.2.5. Unless the Settlement Administrator receives a Class Notice returned from
27 the United States Postal Service for reasons discussed below in this paragraph, that Class Notice
28 shall be deemed mailed and received by the Class Member to whom it was sent five (5) calendar

1 days after mailing. In the event that subsequent to the first mailing of a Class Notice and prior to
2 the Opt Out Deadline, that Class Notice is returned to the Settlement Administrator by the United
3 States Postal Service as undeliverable, the Settlement Administrator shall undertake an Experian
4 Skip Tracing with respect to the Class Member to attempt to ascertain the current address of the
5 particular Class Member in question and, if such an address is ascertained, the Settlement
6 Administrator will re-send the Class Notice to the newly-found address within three (3) business
7 days of receipt of the returned Class Notice. In either event, the Class Notice shall be deemed
8 received once it is mailed for the second time. In the event that subsequent to the first mailing of
9 a Class Notice and on or after the Opt Out Deadline, a Class Notice is returned to the Settlement
10 Administrator by the United States Postal Service as undeliverable, the Settlement Administrator
11 shall be required to take no further action with that Class Notice and it shall be deemed to have
12 been delivered. In the event that subsequent to the first mailing of a Class Notice and prior to the
13 Opt Out Deadline that Notice is returned to the Settlement Administrator by the United States
14 Postal Service with a forwarding address for the recipient, the Settlement Administrator shall re-
15 mail the notice to that address within three (3) business days of receipt of the returned Class
16 Notice, the Class Notice will be deemed mailed and received at that point, and the forwarding
17 address shall be deemed the Updated Address for that Class Member. In any event, if the
18 Settlement Administrator does not receive notice from the United States Postal Service that a
19 particular Class Notice to a Class Member is undeliverable, or should be sent to a forwarding
20 address, at least ten (10) calendar days prior to the deadline for the Settlement Administrator to
21 provide the Declaration of Compliance pursuant to Paragraph 3.2.7 below, the notice procedures
22 in this paragraph will be deemed to have been complied with as to that Class Member and no
23 further action need be taken by the Settlement Administrator with regard to providing the Class
24 Notice to that Class Member. In the event the Settlement Administrator must re-mail any Class
25 Notice pursuant to the provisions of this Paragraph due to being returned, the Opt Out and
26 Objection Deadlines shall be extended for those re-mailings to no later than fifteen (15) calendar
27 days from the date of the re-mailing of the Class Notice. The Settlement Administrator shall
28 include a cover letter with any re-mailing informing the Class Member of the re-mailing of the

1 Class Notice and that he or she has fifteen (15) calendar days from the date of the re-mailing
2 (which shall be the date the re-mailing of the Class Notice is postmarked) to postmark any
3 response allowed by the Stipulation and Class Notice, even if postmarked after the original Opt
4 Out and Objection Deadlines. Compliance with the procedures described in this paragraph shall
5 constitute due and sufficient notice to Class Members of this proposed settlement and of the
6 Settlement Hearing, and shall satisfy the requirements of due process. Nothing else shall be
7 required of or done by the Settling Parties, Class Counsel, counsel for Defendants, or the
8 Settlement Administrator to provide notice of the proposed settlement and the Settlement
9 Hearing.

10 3.2.6. No later than fourteen (14) calendar days after the Opt Out Deadline, the
11 Settlement Administrator shall provide Class Counsel and counsel for Defendants with a
12 declaration attesting to completion of the notice process, including any attempts to obtain Updated
13 Addresses for, and the re-sending of, any returned Class Notices, including the steps set forth in
14 Paragraphs 3.2.1 - 3.2.6 ("Declaration of Compliance"), which shall be filed with the Court by
15 Class Counsel.

16 3.3 *Responses to the Notice of Proposed Class Action Settlement.*

17 3.3.1. Participation at Class Members' Own Expense: Pursuant to California Rule
18 of Court 3.766(d)(5), Class Members have the option to enter an appearance in the Litigation at
19 their own expense by obtaining their own attorney(s). Class Members who choose this option will
20 be responsible for any attorneys' fees or costs incurred as a result of this election. The Class Notice
21 will advise Class Members of this option.

22 3.3.2. Objections to Settlement: Class Members who do not opt-out may also
23 object to the settlement by filing written objections with the Court and serving a copy on the
24 Settling Parties by submitting the copy to the Settlement Administrator no later than the Objection
25 Deadline. The written objection must be signed and dated, and additionally state the Class
26 Member's name, dates of employment as an employee of Defendants, the case name and number
27 (*Alberto Escalante v National Transmission Products, LLC, et al.*, Los Angeles County Superior
28 Court, Case No. 20STCV43203), and the basis for the objection. A Class Member who objects to

1 the settlement will still be considered a Member of the Settlement Class. If any objecting Class
2 Member wishes to speak at the Settlement Hearing, that Class Member's written objection should
3 include a request to speak at the Settlement Hearing. The Settling Parties will request that the
4 Court determine whether Class Members who submit timely objections will be permitted to speak.
5 The Class Notice will advise Class Members of this option. The Settlement Administrator shall
6 provide a copy of any objections that it receives to Class Counsel and counsel for Defendants.
7 Any Class Member who fails to timely file and serve such a written statement of his or her intention
8 to object shall be precluded from making any objection to this settlement, unless otherwise ordered
9 by the Court.

10 3.3.3. Opting Out of Settlement: Class Members may elect to Opt Out of the
11 settlement and, thus, exclude themselves from the Settlement Class. Class Members who wish to
12 exercise this option must send to the Settlement Administrator a signed and completed Opt Out
13 request in writing, which clearly states that the Class Member wishes to be excluded from the
14 Settlement of *Alberto Escalante v National Transmission Products, LLC, et al.*, Los Angeles
15 County Superior Court, Case No. 20STCV43203, and which must be postmarked on or before the
16 Opt Out Deadline. If a proper Opt Out request is not received by the Settlement Administrator
17 from a Class Member on or before the Opt Out Deadline, then that Class Member will be deemed
18 to have forever waived his or her right to Opt Out of the Settlement Class. The Class Notice will
19 advise Class Members of the option to Opt Out of the settlement and will contain instructions on
20 how to do so. Class Members who do not properly request exclusion from the class action
21 settlement by submitting valid and timely Opt Out requests shall be deemed Members of the
22 Settlement Class. Class Members who do properly request exclusion from the class action
23 settlement by submitting a valid and timely Opt Out request shall not be bound by the terms of the
24 settlement, shall not be allowed to object to this settlement, and shall not be entitled to any benefits
25 as a result of this settlement. Notwithstanding the foregoing, Plaintiff and all Class Members who
26 were employed by Defendants in California at any time during the PAGA Period will not have the
27 opportunity to opt out or object to the PAGA Penalties and/or release of PAGA claims set forth in
28 this Stipulation although the release of PAGA claims will be subject to Court approval.

1 3.3.4. Class Members who do not Opt Out of the Settlement Class pursuant to
2 Paragraph 3.3.3 shall be deemed Members of the Settlement Class and shall be bound by the
3 Judgment.

4 3.3.5. In the event that any Class Member timely submits an Opt Out request, but
5 it is deficient, as soon as possible but not later than five (5) business days of the Settlement
6 Administrator's receipt of such Opt Out request, the Settlement Administrator shall send by first
7 class, postage pre-paid, via USPS mail a notice to such Class Member informing him or her of the
8 deficiency and that he or she has ten (10) calendar days from the date of the notice (which shall be
9 the date the notice is mailed) to cure the deficiency and postmark and mail the Opt Out request,
10 even if postmarked after the Opt Out Deadline. The Settlement Administrator shall also copy
11 counsel for Defendants with any such notices of deficiency.

12 3.3.6. The Settling Parties agree that the Opt Out and Objection Deadlines shall
13 not be extended, and no untimely submissions will be honored, under any circumstances, unless
14 mutually agreed to by the Settling Parties and/or except to the extent permitted under Paragraphs
15 3.3.5 and 3.2.6. Notwithstanding the foregoing, the Court may order that a Class Member will be
16 allowed to extend the Opt Out and Objection Deadlines for himself or herself upon a showing of
17 legal incapacity or incarceration during the notice period.

18 3.4 *Post Settlement Administration Period Events and Settlement Fairness Hearing.*

19 3.4.1. Within thirty (30) calendar days after the Opt Out Deadline, the Settlement
20 Administrator shall calculate the final Individual Settlement Amount to be paid to each Settlement
21 Class Member and prepare a final statement of settlement sum for each Settlement Class Member.

22 3.4.2. On the date set forth in the Preliminary Approval Order and Class Notice, a
23 Settlement Hearing shall be held before the Court in order to: (1) review this Stipulation and
24 whether the Court should give it final approval; (2) consider any objections made timely (i.e., by
25 the Objection Deadline); (3) consider Class Counsel's application for an award of attorneys' fees,
26 reimbursements for costs and expenses, and the Class Representative service award. At the
27 Settlement Hearing, the Class Representative shall request the Court to give final approval to this
28 Stipulation and shall submit to the Court a proposed Final Approval Order and Judgment in the

1 form attached hereto as **Exhibit 3** to be entered in the Litigation. The Settling Parties shall take
2 all reasonable efforts to secure entry of the Final Approval Order and Judgment. If the Court
3 rejects the Stipulation, fails to enter the Final Approval Order and Judgment, this Stipulation shall
4 be void, and Defendants shall have no obligation to make any payments under the Stipulation;
5 however, the Settling Parties and their counsel agree to take all reasonable efforts to fix any
6 deficiencies the Court cites for its non-approval as set forth in Paragraph 3.6.

7 3.5 *Releases.*

8 3.5.1. Upon the Effective Date, the Class Representative and each of the
9 Settlement Class Members and Eligible Aggrieved Employees shall be deemed to have, and by
10 operation of the Judgment shall have, fully, finally, and forever released, relinquished, and
11 discharged the Released Parties of all Class Action Released Claims and PAGA Released Claims
12 applicable to each of them.

13 3.5.2. In addition, Plaintiff Alberto Escalante, on behalf of himself, and his heirs,
14 successors, assigns, attorneys and agents, hereby release and forever discharge the Released Parties
15 from any and all claims, demands, debts, duties, rights, obligations, agreements, promises,
16 liabilities, tort claims, statutory claims, contract claims, wage claims, damages, accounts,
17 payments, liens, acts, costs, expenses, sums of money, suits, dues, charges, grievances, complaints,
18 controversies, penalties, compensatory damages, liquidated damages, actions and/or causes of
19 action, both in law and in equity, of any kind or nature whatsoever, whether known or unknown,
20 matured or unmatured, suspected or unsuspected, which he ever had, now has, or may have in the
21 future with regard to the Litigation, Plaintiff's employment with Defendants and the termination
22 of Plaintiff's employment, Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act,
23 the Equal Pay Act of 1963, the Americans With Disabilities Act, the Civil Rights Act of 1866, the
24 Family and Medical Leave Act, the California Fair Employment and Housing Act, and the
25 California Family Rights Act, or any other federal, state or local law or regulation that may be
26 released by private agreement. This provision is intended by the Settling Parties to be all
27 encompassing and to act as a final, full and total release of any claim, whether specifically
28 enumerated herein or not, that exists or ever has existed on or before the Effective Date with the

1 sole exception of any claims that cannot be released pursuant to statute or law.

2 Further, Alberto Escalante, on behalf of himself individually, hereby agrees that all rights
3 under section 1542 of the California Civil Code are hereby waived. Section 1542 has been
4 explained to Alberto Escalante by his respective counsel and provides as follows:

5
6 **A general release does not extend to claims which the creditor**
7 **or releasing party does not know or suspect to exist in his or her**
8 **favor at the time of executing the release and that, if known by**
9 **him or her, would have materially affected his or her settlement**
10 **with the debtor or released party.**

11
12 3.5.3. ADEA Release. Alberto Escalante, individually, acknowledges that he is
13 knowingly and voluntarily waiving and releasing any rights and claims he may have against the
14 Released Parties under the Age Discrimination in Employment Act ("ADEA"). Alberto Escalante,
15 individually, also acknowledges that the consideration given for the waiver and release of any
16 ADEA claims in this Stipulation is in addition to anything of value to which he was already
17 entitled. Alberto Escalante, individually, further acknowledges that he has been advised in writing,
18 as required by the Older Workers' Benefit Protection Act ("OWBPA"), that: (a) the waiver and
19 release do not apply to any rights or claims that may arise after he signs the Stipulation; (b) he
20 should consult with an attorney prior to executing this Stipulation; (c) he has at least twenty-one
21 (21) calendar days to consider this Stipulation (although he may execute this Stipulation earlier);
22 (d) he has seven (7) calendar days following the execution of this Stipulation to revoke his release
23 and waiver of any ADEA claims; and (e) this release shall not be effective until the date upon
24 which the revocation period has expired. Alberto Escalante, individually, may revoke the release
25 of any rights he may have under ADEA by giving formal written notice of revocation to: James
26 A. Bowles, Esq., Hill, Farrer & Burrill, LLP, California Plaza, 300 So. Grand Ave., 37th Fl., Los
27 Angeles, CA 90071 to be received by the close of business on the seventh day following Alberto
28 Escalante's individual execution of this Stipulation.

1 3.6 *Termination of Settlement; Reasonable Steps to Cure.*

2 In the event that the settlement set forth in this Stipulation is not approved in its entirety by
3 the Court, or in the event that the Effective Date does not occur, Defendants shall have the option
4 to void the settlement, and in such case, no payments shall be made by Defendants to anyone in
5 accordance with the terms of this Stipulation, and this Stipulation shall be deemed null and void
6 with no effect on the Litigation whatsoever. Notwithstanding this provision, the Settling Parties
7 agree to take all reasonable steps to cure any deficiencies cited by the Court as reason for non-
8 approval of any matter(s) filed with the Court for approval. In the event that more than ten (10%)
9 of the Class Members Opt Out of the settlement by submitting Opt Outs by the Opt Out Deadline,
10 Defendants shall have the right to terminate and void this settlement and Stipulation; however,
11 Defendants must notify Class Counsel of its intention to nullify the settlement and Stipulation
12 within thirty (30) calendar days after the expiration of the Opt Out Deadline. In the event
13 Defendants terminate this settlement and Stipulation, Defendants and Class Representative shall
14 bear the Settlement Administration costs incurred as of then.

15 3.7 *Miscellaneous Provisions.*

16 3.7.1. No Person shall have any claim against the Class Representative, Class
17 Counsel, the Settlement Administrator, or any of the Released Parties based on the payments made
18 or other actions taken substantially in accordance with this Stipulation and the settlement contained
19 herein or further orders of the Court.

20 This settlement shall result in the release by Settlement Class Members of all Class Action
21 Released Claims and the release by the State of California and Eligible Aggrieved Employees of
22 all PAGA Released Claims. The Settling Parties and their counsel agree that Defendants' payment
23 of \$20,000 in PAGA Penalties is appropriate and proper consideration in the overall context of
24 this Stipulation.

25 In the event that the Stipulation is not approved by the Court, after all reasonable steps to
26 cure have been exhausted, or the settlement set forth in the Stipulation is terminated, cancelled,
27 declared void, or fails to become effective in accordance with its terms, or if the Judgment does
28 not become a Final Judgment, or to the extent cancellation is otherwise provided for in this

1 Stipulation, the Settling Parties shall resume the Litigation at that time as if no Stipulation had
2 been entered. In such event, the terms and provisions of the Stipulation shall have no further force
3 and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other
4 proceeding for any purpose, and any Judgment or order entered by the Court in accordance with
5 the terms of the Stipulation shall be treated as vacated. Notwithstanding any other provision of
6 this Stipulation, if the Court should fail to award attorneys' fees to Class Counsel in the full amount
7 provided for in this Stipulation, no order of the Court or modification of any order of the Court
8 concerning the amount of any attorneys' fees to be paid by Defendants to Class Counsel pursuant
9 to this settlement shall constitute grounds for cancellation or termination of the Stipulation or
10 grounds for limiting any other provision of the Judgment. It is agreed that no order of the Court,
11 including any order concerning attorneys' fees, may alter or otherwise increase the Maximum
12 Settlement Amount.

13 3.7.2. The Class Representative shall not cooperate with, help, bring, counsel, aid,
14 or in any manner assist any person or entity in filing or pursuing a claim, complaint, action, debt,
15 promise, demand, grievance, cause of action, obligation, damage, liability, or charge against
16 Defendants, except as required by law.

17 3.7.3. The Class Representative and Class Counsel acknowledge and agree that
18 (1) no provision of this Stipulation, and no written communication or disclosure between and
19 among the Settling Parties or their attorneys and other advisors, is or was intended to be, nor shall
20 any such communications or disclosure constitute or be construed as, or relied upon as, tax advice
21 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
22 amended); and (2) the Class Representative and Class Counsel have relied exclusively upon his,
23 its or their own independent legal and tax counsel for advice in connection with this Stipulation
24 and has not entered into this Stipulation based on the recommendation of any other party or any
25 attorney or advisor to another attorney and furthermore is not entitled to rely upon any
26 communication or disclosure from Defendant to avoid tax penalty that may be imposed.

27 3.7.4. The Settling Parties (a) acknowledge that it is their intent to consummate
28 this agreement; (b) agree to cooperate to effectuate and implement all terms and conditions of the

1 Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of
2 the Stipulation; (c) agree to seek and to attempt to obtain Court approval for the Stipulation; and
3 (d) agree to reasonably work together to seek and attempt to obtain Court approval for the
4 Stipulation and final approval should the Court not grant approval upon the first presentation.

5 3.7.5. Unless otherwise ordered by the Court, in the event the Stipulation shall be
6 terminated, cancelled, declared void, or fails to become effective in accordance with its terms,
7 within ten (10) business days after written notification of such event, Defendants and Class
8 Counsel shall notify each other of this event in writing.

9 3.7.6. The Stipulation compromises claims which were contested and the subject
10 of a good faith dispute, and it shall not be deemed an admission by any of the Settling Parties as
11 to the merits of any claim or defense. The Settling Parties agree that the amounts paid in settlement
12 of the Litigation and the other terms of the settlement were negotiated at arms-length and in good
13 faith with sufficient information by the Settling Parties and reflect a settlement that was reached
14 voluntarily after consultation with competent legal counsel. This Stipulation and compliance with
15 this Stipulation shall not be construed as an admission, concession, or indication by Settling Parties
16 with respect to fault or liability whatsoever for the claims asserted in the Litigation, or as an
17 admission by Settling Parties that the Litigation is or is not appropriate for class certification other
18 than for purposes of class settlement as described within this Stipulation.

19 3.7.7. All of the exhibits to the Stipulation are material and integral parts hereof
20 and are fully incorporated herein by this reference.

21 3.7.8. The Stipulation may be amended or modified only by a written instrument
22 signed by or on behalf of all Settling Parties or their respective successors-in-interest.

23 3.7.9. The Stipulation constitutes the entire agreement among the Settling Parties
24 hereto and no representations, warranties, or inducements have been made to any party concerning
25 the Stipulation or its exhibits other than the representations, warranties, and covenants contained
26 and memorialized in such documents. Except as otherwise provided herein, each party shall bear
27 its own costs.

28 3.7.10. Class Counsel, on behalf of the Settlement Class, to the extent authorized

1 and ordered by the Court, shall take all appropriate action required or permitted to be taken by the
2 Settlement Class pursuant to the Stipulation to effect its terms and shall also enter into any
3 modifications or amendments to the Stipulation on behalf of the Settlement Class which they deem
4 appropriate.

5 3.7.11. Each counsel or other Person executing the Stipulation or any of its exhibits
6 on behalf of any Settling Parties hereby warrants that such Person has full and express authority
7 to do so.

8 3.7.12. The Stipulation may be executed in one or more counterparts. All executed
9 counterparts and each of them shall be deemed to be one and the same instrument. A complete set
10 of executed counterparts shall be filed with the Court. A facsimile signature, emailed signature or
11 electronic signature shall be treated as an original signature for all purposes.

12 3.7.13. The Stipulation shall be binding upon, and inure to the benefit of, the
13 successors and assigns of the parties hereto; however, this Stipulation is not designed to and does
14 not create any third party beneficiaries unless otherwise specifically provided herein.

15 3.7.14. The Court shall retain jurisdiction with respect to implementation and
16 enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the
17 Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

18 3.7.15. The Stipulation and the exhibits hereto shall be considered to have been
19 negotiated, executed, and delivered, and to have been wholly performed, in the State of California,
20 and the rights and obligations of the parties to the Stipulation shall be construed and enforced in
21 accordance with, and governed by, the internal, substantive laws of the State of California without
22 regard to principles of conflicts of law.

23 3.7.16. The language of all parts of this Stipulation shall in all cases be construed
24 as a whole, according to its fair meaning, and not strictly for or against either party. No party shall
25 be deemed the drafter of this Stipulation. The parties acknowledge that the terms of the Stipulation
26 are contractual and are the product of negotiations between the parties and their counsel. Each
27 party and his/its counsel cooperated in the drafting and preparation of the Stipulation. In any
28 construction to be made of the Stipulation, the Stipulation shall not be construed against any party

1 and the canon of contract interpretation set forth in California *Civil Code* section 1654 shall not be
2 applied.

3 3.7.17. Should any deadlines set forth in the Stipulation require any action to be
4 taken on a weekend or a Court holiday, then the action may be taken on the next business day,
5 unless otherwise specified by law or rule of Court, except that should the Opt Out Deadline or
6 Objection Deadline (or extension(s) thereof specified in the Stipulation relating to a deficiency
7 notice or a re-mailing) fall on a Saturday and regular U.S. Mail service is in operation that day,
8 then no further extension pursuant to this paragraph shall apply to these specific deadlines.

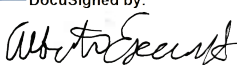
9 3.7.18. The Class Representative agrees not to disparage Defendants, their officers,
10 directors and/or any of their related and/or affiliated entities.

11 3.7.19. The Class Representative represents and acknowledges that he has not
12 assigned his right in this action to any other Person or entity.

13 3.7.20. The Class Representative represents that he has not filed or participated in
14 any other charge or complaint, except the Litigation.

15
16
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19
20 **[SIGNATURES ON NEXT PAGE]**
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28

1 THIS STIPULATION HAS BEEN READ AND AGREED TO INDIVIDUALLY AND
2 ON BEHALF OF THE PROPOSED CLASS:

3
4 DocuSigned by:

4DE84657A6574B4

Dated: September __, 2021
10/11/2021

5 Plaintiff Alberto Escalante
6
7

8 THIS STIPULATION HAS BEEN READ AND AGREED TO ON BEHALF OF
9 NATIONAL TRANSMISSION PRODUCTS, LLC AND TETL HOLDING, LLC
10

11
12 
13 NATIONAL TRANSMISSION PRODUCTS, LLC

Dated: ~~September __, 2021~~
October 8, 2021

14
15
16 
17 TETL HOLDING, LLC

Dated: ~~September __, 2021~~
October 8, 2021

EXHIBIT 1

LOYR, APC

YOUNG W. RYU, ESQ. (SBN 266372)

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SUPERIOR COURT OF CALIFORNIA**COUNTY OF LOS ANGELES**ALBERTO ESCALANTE, individually and on
behalf of all individuals similarly situated,

Plaintiff,

vs.

NATIONAL TRANSMISSION PRODUCTS,
LLC, a Delaware limited liability company;
TETL HOLDING, LLC, a Delaware limited
liability company; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO. 20STCV43203**[CLASS ACTION]***[Assigned for all purposes to Hon. William F.
Highberger, Dept. SSC10]***[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
STIPULATION AND SETTLEMENT
AGREEMENT AND SETTING A
APPROVAL HEARING**

Date: October 14, 2021

Time: 2:00 p.m.

Dept.: SSC10

Action Filed: November 12, 2020

On November 12, 2020, Plaintiff Alberto Escalante, a former employee of National Transmission Products, LLC, filed a class action Complaint against Defendants in the Los Angeles County Superior Court, Case No. 20STCV43203 and on August 11, 2021 the First Amended Complaint was filed ("the Litigation."). In the First Amended Complaint, Plaintiff alleges causes of action for: (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4

1 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Rest Breaks In Violation
2 of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To
3 Pay Minimum Wages In Violation Of Labor Code §§ 1182.12, 1194, 1194.2, 1197; (4) Failure To Pay
4 Overtime Compensation In Violation Of Cal. Labor Code § 1194, *et seq.*; (5) Failure To Provide Proper
5 Wage Statement In Violation Of Cal. Labor Code § 226; (6) Failure To Pay Compensation Upon
6 Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (7) Failure To Reimburse
7 Business Expenses In Violation Of Cal. Labor Code § 2802; And (8) Violation of Labor code § 2698,
8 *et seq.* ("PAGA"); and (9) Violations Of Cal. B&P Code §§ 17200, *Et Seq.* seeking, *inter alia*, damages,
9 penalties, attorneys' fees, interest, for alleged wage and hour violations including, but not limited to,
10 wage and hour violations, failure to provide meal and rest breaks, and failure to pay premium pay,
11 failure to furnish accurate, itemized wage statements, failure to timely pay wages upon discharge or
12 quit.

13 On May 14, 2021, the parties participated in a full-day mediation before experienced
14 employment mediator Eve Wagner, Esq. At mediation, the parties engaged in an intensive discussion
15 regarding their evaluations of the Litigation and the parties reached a settlement of the Litigation. The
16 parties were able to resolve the matter and agreed to enter into the Joint Stipulation of Class Action
17 Settlement and Release.

18 Plaintiffs' Motion for Preliminary Approval of Joint Stipulation and Settlement Agreement
19 ("Motion") was filed with the Court on _____ and a hearing was held before this Court
20 on _____, 2021. Appearing at the hearing were Young W. Ryu of LOYR, APC for Plaintiff
21 and as Proposed Class Counsel for the Class, and Hill, Farrer & Burrill, LLP for Defendant.

22 The Court has considered the moving and supporting papers, Stipulation, and all other papers
23 filed in this action.

24 NOW THEREFORE, IT IS HEREBY ORDERED:

25 1. All defined terms contained herein shall have the same meanings as set forth in the Joint
26 Stipulation Settlement Agreement.
27
28

1 2. The Plaintiff Alberto Escalante and Defendants, through their counsel of record in the
2 Litigation, have reached an agreement to settle the Litigation on behalf of the Class as a whole;

3 3. The Court hereby conditionally certifies the following Class for settlement purposes only:

4 The Class: all individuals who have been, or currently are, employed by
5 Defendants as "non-exempt employees" during the Class Period. Excluded
6 from the Class are employees who work only administrative and managerial
7 functions as exempt employees.

8 Should for whatever reason the Joint Stipulation of Class Action Settlement and Release and Judgment
9 not become a Final Judgment, the fact that the parties were willing to stipulate to certification of a
10 class as part of the Joint Stipulation and Settlement Agreement shall have no bearing on, or be
11 admissible in connection with, the Litigation or the issue of whether a class should be certified in the
12 Litigation in a non-settlement context.

13 4. The Court appoints and designates: (a) Plaintiff Alberto Escalante as the official
14 representative of the Class and (b) Young W. Ryu of LOYR, APC as Class Counsel for the Class.
15 Class Counsel is authorized to act on behalf of the Class with respect to all acts or consents required
16 by, or which may be given, pursuant to the Joint Stipulation and Settlement Agreement, and such other
17 acts reasonably necessary to finalize the Joint Stipulation and Settlement Agreement and its terms.
18 Any Class Member may enter an appearance through his or her own counsel at such Class Member's
19 own expense. Any Class Member who does not enter an appearance or appear on his or her own behalf
20 will be represented by Class Counsel.

21 5. The Court hereby preliminarily approves the terms and conditions provided for in the Joint
22 Stipulation and Settlement Agreement.

23 6. The Court hereby preliminarily approves the Joint Stipulation and Settlement Agreement,
24 the Maximum Settlement Amount in the amount of \$225,000, and the allocations of the following
25 amounts from the Maximum Settlement Amount, (a) \$5,000 for Plaintiff Alberto Escalante for his
26 services to the Class and Plaintiff's release of claims against the Released Parties; (b) a total of
27 \$74,999.93 to Class Counsel for attorneys' fees and a total of up to \$15,000 for reimbursement of
28 Class Counsel's actual litigation costs and expenses incurred; (c) \$20,000 for penalties pursuant to the
 Private Attorney General Act, California Labor Code sections 2698 *et seq.*; and (d) payment to the

1 Settlement Administrator for the Settlement Administration Costs, which are expected not to exceed
2 \$10,000. The Court further hereby preliminarily approves the Net Settlement Sum and the formulas
3 provided in the Joint Stipulation of Class Action Settlement and Release regarding the Individual
4 Settlement Amounts, including and, not limited to, the withholding of employer payroll taxes by the
5 Settlement Administrator.

6 7. The Court finds on a preliminary basis that the Joint Stipulation of Class Action Settlement
7 and Release appears to be within the range of reasonableness of a settlement, including the amount of
8 the PAGA penalties, Class Representative Service Award, Class Counsel's attorneys' fees and costs,
9 the Settlement Administration Costs, and the allocation of payments to the Settlement Class Members,
10 that could ultimately be given final approval by this Court. It appears to the Court on a preliminary
11 basis that the Joint Stipulation and Settlement Agreement is fair, adequate, and reasonable as to all
12 potential Class Members when balanced against the probable outcome of further litigation relating to
13 liability and damages issues. It also appears that extensive and costly investigation, research, and court
14 proceedings have been conducted so that counsel for the Settling Parties are able to reasonably evaluate
15 their respective positions. It appears to the Court that settlement at this time will avoid substantial
16 additional costs by all Settling Parties, as well as avoid the delay and risks that would be presented by
17 the further prosecution of the Litigation. It also appears that the Joint Stipulation and Settlement
18 Agreement has been reached as a result of intensive, serious, and non-collusive arms-length
19 negotiations.

20 8. A hearing (the "Settlement Fairness Hearing") shall be held before this Court on
21 _____ at _____ in Department 10 of the Superior Court of the State of California,
22 County of Los Angeles to determine all necessary matters concerning the Joint Stipulation-and
23 Settlement Agreement, including whether the proposed settlement of the action on the terms and
24 conditions provided for in the Joint Stipulation-and Settlement-Agreement is fair, adequate and
25 reasonable and should be finally approved by the Court and whether a Judgment, as provided in the
26 Joint Stipulation and Settlement Agreement, should be entered herein. At this same time, a hearing on
27 Class Counsel's motion for an award of attorneys' fees, reimbursement of litigation costs, the Class
28

1 Representative Service Award shall also be held; and the payment to the Settlement Administrator for
2 settlement administration costs shall be held.

3 9. The Court hereby approves, as to form and content, the Notice of Proposed Class Action
4 Settlement ("Class Notice"), which is attached to Joint Stipulation and Settlement Agreement as
5 "**Exhibit 2**," to be sent to the Class Members. The Court finds that distribution of the Class Notice to
6 Class Members substantially in the manner and form set forth in the Joint Stipulation and Settlement
7 Agreement and this Order meets the requirements of due process and shall constitute due and sufficient
8 notice to all parties entitled thereto.

9 10. The Court appoints and designates Simpluris, Inc. as the Settlement Administrator. The
10 Court hereby directs the Settlement Administrator to provide the approved Class Notice to the Class
11 Members within fourteen (14) calendar days of this Preliminary Approval Order, in conformity with
12 the Joint Stipulation and Settlement Agreement.

13 11. Any Class Member may choose to opt out of, and be excluded from, the settlement as
14 provided in the Joint Stipulation and Settlement Agreement, by following the instructions set forth in
15 the Class Notice, for requesting exclusion. Any person who timely and properly opts out of the Joint
16 Stipulation and Settlement Agreement will not be bound by the Joint Stipulation and Settlement
17 Agreement except for the release of the PAGA Released Claims or have any right to object, appeal,
18 or comment thereon. Any Opt Out request must be in writing, clearly state that the Class Member's
19 wishes to be excluded from the settlement, and be signed by each such Class Member opting out, and
20 must otherwise comply with the requirements delineated in the Joint Stipulation and Settlement
21 Agreement. Class Members who have not requested exclusion by submitting a valid and timely Opt
22 Out request that is postmarked no later than the Opt Out Deadline, shall be bound by all
23 determinations of the Court, the Settlement, and Judgment.

24 12. The Motion for Final Approval shall be filed no later than sixteen (16) court days before
25 the Final Approval Hearing.

26 13. In the event that the Effective Date occurs, all Settlement Class Members and the Class
27 Representative will be deemed to have forever released and discharged the Released Claims applicable
28 to them. The State of California and Eligible Aggrieved Employees release and are forever barred

from the PAGA Released Claims. The Class Representative additionally will be deemed to have waived his rights under California Civil Code section 1542.

14. In the event that the Effective Date occurs, the action captioned as *Alberto Escalante v. National Transmission Products, LLC, et al.*, Los Angeles County Superior Court, Case No. 20STCV43201 shall be dismissed with prejudice pursuant to the terms of the Joint Stipulation of Class Action Settlement and Release.

15. The calendar of events leading to the Final Approval Hearing shall be as follows:

Date/ Triggering Event:	Event
The date of this Order	Court orders preliminary approval of Settlement and conditional certification of class, and Defendant shall provide the Settlement Administrator with the Class Members' contact information.
	Settlement Administrator to mail Class Notices.
	Deadline for Class Members to submit Opt Out Requests, Requests for Exclusion, or Objections to the Settlement.
	Deadline for filing: (1) Motion for Final Approval (2) Application for Attorney's Fees, Costs, and Expenses, and (3) Application for Class Representative Service Awards.
	Deadline to File a Response to Any Objections ^s and to file the Declaration of Settlement Administrator.

Final Approval Hearing

16. The Court reserves the right to adjourn or continue the date of the Settlement Fairness Hearing and all dates provided for in the Joint Stipulation of Class Action Settlement and Release without further notice to the Class, and retains jurisdiction to consider all further applications arising out of or connected with the Joint Stipulation of Class Action Settlement and Release.

IT IS SO ORDERED.

DATED: _____

Honorable William F. Highberger
Judge of the Superior Court

EXHIBIT 2

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Alberto Escalante v. National Transmission Products, LLC, et al.
Superior Court, County of Los Angeles, Spring Street Courthouse
Case No. 20STCV43203

To: all individuals who have been, or currently are, employed by Defendants as "non-exempt employees" during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees, at anytime from November 12, 2016 through the date that Preliminary Approval is granted. .

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this notice because Defendants' records indicate that you may be entitled to participate in this class action settlement.

The following recitation does not constitute the findings of the Court and should not be understood as an expression of the Court's views on the merits of any claim or defense raised by the parties. Defendants adamantly denies any and all liability. It.

I. WHY IT IS IMPORTANT TO READ THIS NOTICE:

The Superior Court of the State of California in and for the County of Los Angeles (the "Court") has granted preliminary approval to a proposed Settlement (defined below) of a class action lawsuit regarding wage and hour claims of all individuals who are formerly and currently employed as non-exempt employees for National Transmission Products, LLC and TETL Holding, LLC from November 12, 2016 through the date of preliminary approval of the Settlement ("Class Period").

Because your rights may be affected by the Settlement (defined below), it is important that you read this notice carefully. Defendants' records show that you were worked for Defendants as a non-exempt employee in California, at some time from November 12, 2016 up to and including **[the date that preliminary approval is granted]**. Therefore, you are a "Class Member" in this Lawsuit.

The purpose of this Notice is to provide you with a brief description of the class action lawsuit, what investigation of the claims has taken place, and, finally, to inform you of the terms of the proposed Settlement (defined below) and to discuss your rights and options in connection with the lawsuit and the Settlement (defined below).

II. WHAT THE CASE IS ABOUT:

A former employee of Defendants made a claim against Defendants alleging that certain of Defendants' wage and hour practices violated California law.

The claims affect any and all persons who have been, or currently are, employed by Defendants-as nonexempt employees at any time from November 12, 2016 up to and including **[the date that preliminary approval is granted]**. On behalf of himself and on behalf of other employees of

Defendants, Alberto Escalante ("Class Representative" or "Plaintiff") claims that Defendants failed to comply with California wage and hour laws including, but not limited to: (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To Pay Minimum Wages In Violation Of Labor Code §§ 1182.12, 1194, 1194.2, 1197; (4) Failure To Pay Overtime Compensation In Violation Of Cal. Labor Code § 1194, Et Seq.; (5) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (6) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (7) Failure To Reimburse Business Expenses In Violation Of Cal. Labor Code § 2802; And (8) Violation of Labor code § 2698, *et seq.* ("PAGA"); and (9) Violations Of Cal. B&P Code §§ 17200, *et seq.*, seeking, inter alia, damages, penalties, attorneys' fees, interest, for alleged wage and hour violations including, but not limited to, wage and hour violations, failure to provide meal and rest breaks, and failure to pay premium pay, failure to furnish accurate, itemized wage statements, failure to timely pay wages upon discharge or quit. In bringing his claims against Defendants, Plaintiff Alberto Escalante sought to obtain, among other things, unpaid wages, interest, attorneys' fees, statutory penalties, and civil penalties on behalf of other employees of Defendants.

Defendants adamantly deny each, every, and all of the allegations of the lawsuit, and maintain that they complied with all California wage and hour laws, such that Plaintiff Alberto Escalante cannot properly recover any damages including but not limited to civil penalties under California law. Although Defendants deny these allegations, they have chosen to resolve the matter based upon the terms and conditions set forth in the Joint Stipulation and Settlement Agreement ("Settlement Agreement" or "Settlement"). The Court will determine whether or not to grant final approval of this Settlement.

The Settlement provides for the certification, for settlement purposes only, of all persons who worked for Defendants as nonexempt employees at any time from November 12, 2016 up to and including **[the date that Preliminary Approval of the Stipulation is granted]**.

The terms of the Settlement are set forth more fully in the next section, but generally Defendants have agreed to pay up to \$225,000 to resolve the lawsuit, should the Court grant final approval to the proposed Settlement.

III. THE SETTLEMENT OF THE CLAIMS:

On May 14, 2021, the parties participated in a full-day mediation in Los Angeles before the highly experienced employment law mediator, Eve Wagner, Esq. The parties were able to resolve the matter at mediation and agree to a settlement.

Plaintiff Alberto Escalante, the Class Representative and Class Counsel believe the Settlement is in the best interest of the Class.

Through this Settlement, neither Defendants nor any of their employees have admitted any liability or wrongdoing and, in fact Defendants expressly deny any wrongdoing. The Court did not decide in favor of Plaintiff or Defendants. The Settlement Agreement has been preliminarily approved by the Court. A full copy of the Settlement Agreement, embodied in the document

entitled **JOINT STIPULATION AND SETTLEMENT AGREEMENT** as preliminarily approved by the Court, as well as other public documents filed in this case, can be inspected in the Office of the Court Clerk located at 312 N. Spring Street, Los Angeles, California 90012.

IV. THE TERMS OF THE CONDITIONAL CLASS ACTION SETTLEMENT:

On behalf of the Class Members, the Class Representative has reached a Settlement with Defendants and on [the preliminary approval date], the Court conditionally certified a class, for settlement purposes only, comprised of the following persons (collectively, the "Class"):

All individuals who have been, or currently are, employed by Defendants as "non-exempt employees" during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees, at anytime from November 12, 2016 through the date that Preliminary Approval is granted -

Without admitting liability, Defendants have agreed to pay \$225,000 for Settlement of the claims in this matter (the "Maximum Settlement Amount"). Class Members who do not opt out of the Class pursuant to the procedures set forth in this Notice ("Settlement Class Members") will be bound by the Settlement and will release Defendants and all Released Parties (defined below) for the Class Action Released Claims (defined below) (see below for more information).

This Settlement is conditioned upon the Superior Court of the State of California in and for the County of Los Angeles, entering an order at or following the hearing finally approving the Settlement (the "Settlement Hearing") as fair, reasonable, adequate, and in the best interests of the Settlement Class.

The following payments will be sought, subject to final approval by the Court, from the Maximum Settlement Amount of \$225,000:

- (1) Payment in the amount of \$5,000 to the Class Representative, Alberto Escalante, in addition to the sum that he will receive as a Settlement Class Member, to compensate him for acting on behalf of the Class, including the time he expended to fulfill the role of Class Representative (e.g., assisting with the investigation of the claims and being involved with the settlement negotiations), and Plaintiff's release of claims against the Released Parties;
- (2) Payment in an amount of up to \$74,999.93 to Class Counsel as attorneys' fees, to compensate them for their services
- (3) Payment in an amount of up to \$15,000 to Class Counsel, to reimburse Class Counsel for actual litigation costs and expenses expended in this matter by Class Counsel;
- (4) Payment in an amount of up to \$10,000.00 to the Settlement Administrator, Simpluris, Inc., for the fees and costs of administering this Settlement;
- (5) Payment in an amount of \$15,000 to the California Labor Workforce and Development Agency ("LWDA") for the State of California's share of the \$20,000 allocated as penalties pursuant to the California Labor Code Private Attorney General Act of 2004 ("PAGA") (\$5,000 of the penalties will be distributed to Class Members who are Eligible Aggrieved Employees); and

The Net Settlement Sum that is available to pay Settlement Class Members will be the Gross Settlement Sum less the above mentioned requested payments which are subject to final approval by the Court. The Net Settlement Sum is estimated to be approximately \$100,000.07, and will be

· automatically distributed to Class Members who do not opt out of this Settlement (i.e. Settlement Class Members), and these gross individual shares are known as the "Individual Settlement Amount." The Individual Settlement Amount for each Settlement Class Member shall be determined on a pro-rata basis based on the number of workweeks (in which the Class Member worked at least one (1) day) during the Class Period. Each Individual Settlement Amount shall be allocated as 33% as wages and 67% as penalties and interest. The wage portion of each Individual Settlement Amount is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution to Settlement Class Members.

V. WHAT IS YOUR EXPECTED SHARE:

As discussed above, the Net Settlement Sum will be automatically distributed to Class Members who do not opt out of this Settlement, based on their respective number of workweeks.

Defendants' records reflect that you worked [insert number of workweeks] workweeks during the Class Period, and based on this number of workweeks, your gross Individual Settlement Amount is estimated to be [insert estimated amount].

The amount stated herein as your estimated Individual Settlement Amount may change depending on the number of Class Members who do not opt-out and the Court's order with respect to the requests for attorneys' fees, litigation costs and expenses, awards to class representative, administration expenses, and PAGA payment. Further, as discussed above, your gross Individual Settlement Amount will be allocated as one-third wages (reported on an IRS Form W-4), one-third interest (reported on an IRS Form 1099), and one-third penalties (reported on an IRS Form 1099). The wage portion is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution.

In addition, \$5000 of the PAGA penalties will be allocated as follows. Each Class Member who is an Eligible Aggrieved Employee, shall receive a portion of the \$5000 of the PAGA penalties proportionate to the number of pay periods that he or she worked during the PAGA Period ("PAGA Period" means the period from May 18, 2020 to the Court's preliminary approval of the settlement agreement), and which will be calculated by multiplying the \$5,000 by a fraction, the numerator of which is the Eligible Aggrieved Employee's number of pay periods worked during this time period, and the denominator of which is the total number of pay periods worked by all Eligible Aggrieved Employees during this time period. A Class Member is an "Eligible Aggrieved Employee" if he/she worked for Defendants in California during the PAGA Period.

Settlement checks will be valid for 180 days, and all funds remaining from uncashed checks after 180 days shall be handled pursuant to California Code of Civil Procedure section 384. Uncashed checks shall be submitted to the State Controller's Office.

VI. WHAT YOU NEED TO DO IN RESPONSE TO THIS NOTICE:

You have received this Notice because Defendants' records indicate that you are a member of the conditionally certified Class. You have the following four options:

1. **IF YOU WISH TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND REMAIN A MEMBER OF THE SETTLEMENT CLASS AND BE ISSUED A PAYMENT UNDER THE SETTLEMENT, YOU (or in the event of a deceased Class Member, the estate or authorized beneficiary) ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.** You will be issued payment if the Court grants final approval to the Settlement and Judgment becomes final, and you will release the Released Parties for the Released Claims (see next section for definition of "Released Claims" and "Released Parties"). If you wish to receive a payment under the Settlement, you must NOT "Opt Out" of the Settlement. **To ensure receipt of your payment, you must make sure that your correct mailing address is on file with the Settlement Administrator.** Pursuant to California Rule of Court 3.766(d)(5), Class Members have the option to enter an appearance in the Litigation at their own expense by obtaining their own attorney(s). Class Members who choose this option will be responsible for any attorneys' fees or costs incurred as a result of this election.

2. **YOU MAY ELECT TO "OPT OUT" OF THE SETTLEMENT CLASS AND THUS EXCLUDE YOURSELF FROM THE SETTLEMENT INCLUDING: (1) RECEIVING THE ASSOCIATED INDIVIDUAL SETTLEMENT AMOUNT PAYMENT; AND (2) THE ASSOCIATED RELEASE OF CLAIMS AND STIPULATED JUDGMENT.** If you wish to exercise this option, you must mail to the Settlement Administrator an Opt Out request, in writing and signed, which clearly states that the Class Member wishes to be excluded from the Settlement of *Alberto Escalante v. National Transmission Products, LLC, et al.*, Case No. 20STCV43203, to the following address: XXXXXXXX, and is postmarked on or before the [Opt Out Response Deadline]. If a timely and complete Opt Out request is not received by the Settlement Administrator postmarked on or before the [Opt Out Response Deadline], you will be deemed to have forever waived your right to opt out of the Settlement Class. Class Members who do not properly opt out of the Settlement shall be Members of the Settlement Class. Class Members who do properly opt out of the Settlement shall not be bound by the terms of the Settlement, shall not be allowed to object to this Settlement, and shall not be entitled to any benefits as a result of this Settlement, including payment of any Individual Settlement Amount except for their share (if any) of the \$5,000 PAGA penalties.

3. **FINALLY, PROVIDED YOU DO NOT OPT OUT OF THE SETTLEMENT CLASS, YOU MAY OBJECT TO THE SETTLEMENT.** You may object to the Settlement by filing written objections with the Court and serving a copy on the Settling Parties by submitting the copy to the Claims Administrator, postmarked on or before [insert Objection Deadline], to the following address: XXXXXXXXXX. The written objection must be signed and dated, state the Class Member's name, dates of employment as Defendant's employee, the case name and number (*Alberto Escalante v. National Transmission Products, LLC, et al.*, Case No. 20STCV43203), that you wish to object to the Settlement, and the basis for the objection. If any objecting Class Member wishes to speak at the Settlement Hearing, that Class Member's written objection should include a request to speak at the Settlement Hearing. The Settling Parties will request that the Court determine whether Class Members who submit timely objections will be permitted to speak.

If you take no action, you will remain a member of the Settlement Class. A Class Member who does not opt out of participation in the Settlement will be bound by the Judgment and be issued payment under the Settlement, with a copy of the final judgment. If you remain a member of the Settlement Class, you will be represented by the attorneys for Plaintiff, who has been designated by the Court as Class Counsel:

Young W. Ryu (State Bar No. 266372)
 LOYR, APC
 3130 Wilshire Blvd, Suite 209
 Los Angeles, CA 90010
 Telephone: (888) 365-8686

VII. RELEASE OF CLAIMS OF SETTLEMENT CLASS MEMBERS:

If the Court grants final approval of the Settlement, Class Members who do not Opt Out of the Settlement, will be subject to the Judgment rendered by the Court pursuant to the Settlement Agreement and be precluded from bringing Released Claims in the future for the period from November 12, 2016 up to and including **[the date that Preliminary Approval of the Stipulation is granted.]**.

Specifically, after final approval by the Court, the Settlement will fully release and discharge all Class Action Released Claims (as defined below) of Settlement Class Members against Defendants and each of its respective past, present and future parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents accountants, insurers, reinsurers, claims administrators, attorneys and any past, present or future owners, officers, directors and employees, predecessors, successors, or assigns thereof, National Transmission Products, LLC and TETL Holding, LLC ("Released Parties").

"Class Action Released Claims" shall mean any and all claims alleged in the First Amended Complaint or which could have been alleged in the First Amended Complaint based on the factual allegations alleged therein, including, but not limited to causes of action for (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To Pay Minimum Wages In Violation Of Labor Code §§ 1182.12, 1194, 1194.2, 1197; (4) Failure To Pay Overtime Compensation In Violation Of Cal. Labor Code § 1194, Et Seq.; (5) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (6) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (7) Failure To Reimburse Business Expenses In Violation Of Cal. Labor Code § 2802; And (8) Violation of Labor code § 2698, *et Seq.* ("PAGA"); and (9) Violations Of Cal. B&P Code §§ 17200, *et seq.* seeking, inter alia, damages, penalties, attorneys' fees, interest, for alleged wage and hour violations including, but not limited to, wage and hour violations, failure to provide meal and rest breaks, and failure to pay premium pay, failure to furnish accurate, itemized wage statements, failure to timely pay wages upon discharge or quit. The Class consists of all persons who have been, or currently are, employed as non-exempt employees for National Transmission Products, LLC and TETL Holding, LLC at any time during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees..

Upon the Effective Date, the Class Representative Plaintiff and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Parties of all Class Action Released Claims applicable to each of them arising during the Class Period.

Plaintiff and all Class Members who were employed by Defendants in California as non-exempt employees during the PAGA Period, will not have the opportunity to opt out or object to the PAGA penalties amount or opt-out of the release of the PAGA Released claims, although the release of PAGA claims will be subject to Court approval. Such Class Members and the State of California will be forever barred from filing claims for penalties under PAGA.

VIII. THE NEXT STEP:

The Settlement Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _____ onin Department SSC10 of the Los Angeles County Courthouse located at 312 N. Spring Street, Los Angeles, California 90012. **You are not required to attend the Settlement Hearing, although any Class Member is welcome to attend the hearing.**

IX. HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice is only a summary of the class action lawsuit and the associated Settlement. For more information, you may inspect the Court files and the Settlement Agreement at the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012 during regular court hours.

You may contact Class Counsel for more information: Young W. Ryu, LOYR, APC, 3130 Wilshire Blvd, Suite 209, Telephone: (888) 365-8686. You may also contact the Class Administrator, Simpluris, Inc. at [] if you have any questions.

PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.

EXHIBIT 3

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES**

ALBERTO ESCALANTE, individually and on
behalf of all individuals similarly situated,

Plaintiff,

vs.

NATIONAL TRANSMISSION PRODUCTS,
LLC, a Delaware limited liability company; TETL
HOLDING, LLC, a Delaware limited liability
company; and DOES 1 through 100, inclusive,

Defendants.

CASE NO. 20STCV43203

[CLASS ACTION]

*[Assigned for all purposes to Hon. William F.
Highberger, Dept. SSC10]*

**[PROPOSED] ORDER GRANTING FINAL
APPROVAL OF SETTLEMENT AND
ENTRY OF JUDGMENT**

Action Filed: November 12, 2020

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2
3 The named Plaintiff Alberto Escalante, and the settling Defendants National Transmission
4 Products, LLC and TETL Holding, LLC (together the "Parties" or "Settling Parties") have entered into
5 a Joint Stipulation Settlement Agreement ("Stipulation") to settle the above-captioned class action
6 subject to the Court's approval.

7 **A. Procedural History**

8 On November 12, 2020, Plaintiff Alberto Escalante, a former employee of Defendants, filed a
9 class action Complaint against Defendants in Los Angeles County Superior Court. In the Complaint,
10 Plaintiff alleged causes of action for: (1) Failure to Compensate All Hours Worked In Violation of
11 Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197,
12 and 1198; (2) Missed Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California
13 Code of Regulations § 11050; (3) Failure To Pay Minimum Wages In Violation Of Labor Code §§
14 1182.12, 1194, 1194.2, 1197; (4) Failure To Pay Overtime Compensation In Violation Of Cal. Labor
15 Code § 1194, *et seq.*; (5) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code
16 § 226; (6) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor
17 Code §§ 201-203; (7) Failure To Reimburse Business Expenses In Violation Of Cal. Labor Code §
18 2802; And (8) Violations Of Cal. B&P Code §§ 17200, *et seq.* Thereafter, on August 11, 2021, Plaintiff
19 filed a First Amended Complaint adding a claim under the California Private Attorneys General Act of
20 2004, Cal. Labor Code § 2698 *et seq.* ("PAGA").

21 In accordance with the complex civil division procedure, the Court imposed a stay on all
22 discovery and motion practice prior to the initial Case Management Conference. Meanwhile, the
23 Parties agreed to attempt a resolution of this matter through private mediation. In preparation thereof,
24 Defendants provided information/data concerning alleged putative class members to allow Plaintiff to
25 perform an analysis.

26 On May 14, 2021, the parties participated in a full-day mediation before experienced
27 employment mediator Eve Wagner, Esq. At mediation, the parties engaged in an intensive discussion
28 regarding their evaluations of the Litigation, the risks and delays of further litigation and the relevant

1 wage statement analysis models to further assist in negotiations. With the aid of the mediator, the
2 parties reached a settlement of the case. The parties were able to resolve the matter and agreed to enter
3 into this Joint Stipulation of Class Action Settlement and Release.

4 This Stipulation pertains to the Plaintiff's Complaint and First Amended Complaint in the
5 Litigation and the May 18, 2021 letter sent by Plaintiff to the Labor Workforce and Development
6 Agency ("LWDA") asserting claims for civil penalties against Defendants for purported Labor Code
7 violations under PAGA.

8 **B. Investigation in the Class Action**

9 The Parties have conducted significant investigation of the facts and law during the
10 prosecution of this Litigation. Such discovery and investigations have included the exchange of
11 information pursuant to informal written discovery. Counsel for the Parties have further investigated
12 the applicable law as applied to the facts discovered regarding the alleged claims of the Class
13 Members and potential defenses thereto and the damages claimed.

14 **C. Benefits of Settlement to Class Members**

15 Plaintiff recognizes the expense and length of continued proceedings necessary to continue
16 the litigation against Defendants through trial and through any possible appeals. Plaintiff has also
17 taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties
18 and delays inherent in such litigation, including those involved in class certification. Plaintiff is also
19 aware of the burdens of proof necessary to establish liability for the claims asserted in the Litigation,
20 Defendants' defenses thereto, and the difficulties in establishing damages for Class Members.
21 Plaintiff has also considered the significant settlement negotiations conducted by the Parties, and
22 the advice of the neutral mediator. Based on the foregoing, Plaintiff has determined that the terms
23 and conditions for resolution of the Litigation, set forth in the Stipulation, are fair, adequate and
24 reasonable, and in the best interests of all Class Members.

25 **D. Plaintiff and the Class Members' Claims**

26 Plaintiff and the Class Members contend that the claims, contentions, and allegations by
27 Plaintiff, individually and on behalf of the Class Members, in the Litigation have merit and give
28 rise to liability on the part of Defendant. Neither the Stipulation nor any documents referred to

1 herein, or any action taken to carry out the Stipulation is, or may be construed as or may be used
2 as, an admission by or against the Class Members or Class Counsel as to the merits or lack thereof
3 of the Litigation.

4 **E. Defendants' Denials of Wrongdoing**

5 Defendants have denied and continues to deny each of the claims, contentions, and damages
6 alleged by Plaintiff, individually and on behalf of the Class Members, in the Litigation. Defendants
7 adamantly deny any wrongdoing or legal liability arising out of any of the facts or conduct alleged in
8 the Litigation, and believe that they have valid defenses to Plaintiff and the Class Members' claims
9 based on liability, class certification, and damages. Neither the Joint Stipulation and Settlement
10 Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out the
11 Stipulation, may be construed as, or may be used as an admission, concession or indication by or against
12 Defendants of any fault, wrongdoing or liability whatsoever, including any concession that certification
13 of a class would be appropriate in the Litigation or any other case.

14 **F. Operation of the Settlement.**

15 Pursuant to the Order Granting Preliminary Approval of Class Action Settlement and Setting a
16 Final Approval Hearing ("Preliminary Approval Order") dated _____, this Court
17 conditionally certified the Class and granted preliminary approval to the Joint Stipulation and
18 Settlement Agreement. The Preliminary Approval Order also approved of the proposed forms of
19 notice. The Court entered the Preliminary Approval Order after review and consideration of all of the
20 pleadings filed and representations and arguments made in connection herewith.

21 In compliance with the Preliminary Approval Order, the Class Notices were sent to all Class
22 Members via first class mail. Furthermore, follow-up mailings were performed for returned mail. The
23 notice program was timely completed.

24 This matter is now before the Court on Plaintiff's Motion for Final Approval of the Class Action
25 Settlement ("Motion for Final Approval"), including approval of a service award for Plaintiff Alberto
26 Escalante and Class Counsel's Application for attorneys' fees and costs. The Court has read, heard,
27 and considered all the pleadings and documents submitted, all other papers filed in the Litigation, and
28 the representations and arguments made in connection with the Motion and Application which came

1 on for hearing on _____. Appearing at the hearing were Young W. Ryu of LOYR, APC
2 and as Proposed Class Counsel for the Class, and Hill, Farrer & Burrill, LLP for Defendant.

3 Based on the foregoing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS
4 FOLLOWS:

5 1. This Court finds that the Joint Stipulation and Settlement Agreement appears to be the
6 product of serious, informed, non-collusive negotiations, has no obvious deficiencies, and does not
7 improperly grant preferential treatment to any individuals. The Court finds that the Stipulation was
8 entered into in good faith pursuant to California *Code of Civil Procedure* section 877.6. The Court
9 further finds that the Joint Stipulation and Settlement Agreement is fair, reasonable and adequate and
10 that the Plaintiff has satisfied the standards for final approval of a class action settlement under
11 California law. Under the provisions of California *Code of Civil Procedure* section 382 and Federal
12 Rule of Civil Procedure 23, as approved for use by the California state court in *Vasquez v. Superior*
13 *Court*, 4 Cal.3d 800, 821 (1971), the trial court has discretion to certify a class where:

14 [Q]uestions of law or 'fact common to the members of the class predominate over
15 any questions affecting only individual members, and that a class action is
16 superior to the available methods for fairly and efficiently adjudicating the
17 controversy ... Fed. R. Civ. Proc. 23.

18 Certification of a settlement class is the appropriate judicial device under these circumstances.

19 The Court, for purposes of this Order, adopts all defined terms as set forth in the Joint Stipulation
20 and Settlement Agreement.

21 2. The Court has jurisdiction over the subject matter of the Litigation, the Class
22 Representative, the Class Members, and Defendants.

23 3. The Court finds that the dissemination of the Notice of Proposed Class Action Settlement
24 as provided for in the Order Granting Preliminary Approval, constituted the best notice practicable
25 under the circumstances to all Persons within the definition of the Class, and fully met the
26 requirements of California law and due process under the United States Constitution. Based on
27 evidence and other material submitted in conjunction with the Settlement Hearing, the actual notice
28 to the class was adequate.

4. The Court approves the settlement of the above-captioned action, as set forth in the Joint
Stipulation and Settlement Agreement, each of the releases and other terms, as fair, just, reasonable,

1 and adequate as to the Settling Parties, Settlement Class Members and Eligible Aggrieved Employees.
2 The Parties are directed to perform in accordance with the terms set forth in the Joint Stipulation of
3 and Settlement Agreement, the Order Granting Preliminary Approval, and this Final Approval Order
4 and Judgment.

5 5. Except as to those Class Members who have validly and timely requested exclusion from
6 settlement, all of the Class Action Released Claims are hereby released upon the Effective Date.

7 6. Eligible Aggrieved Employees and the State of California hereby release the Released
8 Parties of all PAGA Released Claims upon the Effective Date.

9 7. Except as otherwise provided in the Joint Stipulation and Settlement Agreement, the
10 Settling Parties are to bear their own costs and attorneys' fees.

11 8. Solely for purposes of effectuating this Joint Stipulation and Settlement Agreement, this
12 Court has certified a class of all Class Members, as those terms are defined in and by the terms of the
13 Joint Stipulation and Settlement Agreement, and the Court deems this definition sufficient for
14 purposes of California Rules of Court 3.765(a) and 3.771. The Court hereby certifies the following
15 Class for settlement purposes only:

16 All individuals who have been, or currently are, employed by Defendants as "non-exempt
17 employees" during the Class Period. Excluded from the Class are employees who work only
18 administrative and managerial functions as exempt employees.

19 9. With respect to the Settlement Class and for purposes of approving the settlement only
20 and for no other purpose, this Court finds and concludes that: (a) the Members of the Settlement Class
21 are ascertainable and so numerous that joinder of all members is impracticable; (b) there are questions
22 of law or fact common to the Settlement Class, and there is a well-defined community of interest
23 among Members of the Settlement Class with respect to the subject matter of the claims in the
24 Litigation; (c) the claims of the Class Representative is typical of the claims of the Members of the
25 Settlement Class; (d) the Class Representative has fairly and adequately protected the interests of the
26 Members of the Settlement Class; (e) a class action is superior to other available methods for an
27 efficient adjudication of this controversy; and (f) the counsel of record for the Class Representative,
28 i.e., Class Counsel, are qualified to serve as counsel for Plaintiff in their individual and representative
capacity and for the Class Members.

1 10. Defendant shall fund \$225,000 of the Maximum Settlement Amount, pursuant to the
2 terms of the Joint Stipulation and Settlement Agreement.

3 11. The Court approves the amounts to Settlement Class Members and Eligible Aggrieved
4 Employees, which shall be distributed pursuant to the terms of the Joint Stipulation and Settlement
5 Agreement.

6 12. The Court appoints Plaintiff Alberto Escalante as Class Representative for the purposes of
7 settlement only.

8 13. The Court appoints Young W. Ryu of LOYR, APC as counsel for the Class for settlement
9 only.

10 14. The Court appoints Simpluris, Inc. as Settlement Administrator.

11 15. Out of the total Settlement Sum and through the Claims Administrator, Defendants shall
12 pay (a) to Class Counsel attorneys' fees in the amount of \$[_____] and reimbursement of costs in
13 the amount of \$[____]; (b) service award to the Class Representative Alberto Escalante to
14 reimburse him for his unique services and full release of claims against the Released Parties in the
15 amount of \$5,000; (c) the sum of \$15,000 to the Labor and Workforce Development Agency for its
16 share of penalties under the Labor Code's Private Attorney General Act (which represents 75% of the
17 \$20,000 allocated toward PAGA penalties); (d) the sum of \$5,000 to Eligible Aggrieved Employees;
18 and (d) up to \$10,000.00 to the Settlement Administrator, Simpluris, Inc., for its fees and costs relating
19 to the settlement administration process. All employer's and employee's share of state and federal
20 employment and payroll taxes shall be withheld from the Individual Settlement Amounts by the
21 Settlement Administrator. The Court finds that these amounts are fair and reasonable. Defendant is
22 directed to make such payments in accordance with the terms of the Joint Stipulation of Class Action
Settlement and Release.

23 16. In the event that the Effective Date occurs, the action captioned *as Alberto Escalante v.*
24 *National Transmission Products, LLC, et al.*, Los Angeles County Case Number 20STCV43201, shall
25 be dismissed with prejudice pursuant to the terms of the Joint Stipulation and Settlement Agreement.

26 17. The Court reserves exclusive and continuing jurisdiction over the Litigation, the Class
27 Representative, the Class Members, and Defendants for the purposes of supervising the
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1 implementation, enforcement, construction, administration, and interpretation of the Joint
2 Stipulation and Settlement Agreement.

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4 IT IS SO ORDERED.

5 DATED: _____

6 Honorable William F. Highberger
7 Judge of the Superior Court
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