

**NOTICE TO CLASS MEMBERS OF PENDENCY OF CLASS ACTION SETTLEMENT AND
NOTICE OF FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT**

To: Non-exempt employees who worked for TC Cosmotronic, Inc. (“Cosmotronic”) in California for any period of time from August 28, 2011 to September 12, 2018 (“Class Period”).

**PLEASE READ THIS NOTICE CAREFULLY
THIS MAY AFFECT YOUR LEGAL RIGHTS**

An electronic version of this notice may be found online at:
<https://www.facebook.com/ClassActionTCCosmotronic>

The purpose of this Notice (“Notice”) is to inform you of the proposed settlement (“Settlement”) in the above-entitled action (“Action”) and your rights under it. You have received this Notice because Cosmotronic’s records indicate that you are a Class Member and eligible to participate in the Settlement described in this Notice. “Class Member” is defined in the Settlement as all non-exempt employees of Cosmotronic who worked in California during the Class Period. “Class Claims” are defined below in Section 2.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will automatically receive your money payment (“Claim Amount”) in the mail in exchange for giving up any rights to sue for the same claims against Cosmotronic and JR Controls, Inc. (“JR”) (collectively, “Defendants”). California law protects employees from retaliation based on their decision to participate in a class action settlement.
DISPUTE/CHALLENGE THE NUMBER OF QUALIFIED WORKWEEKS	Challenge/Dispute the number of workweeks listed in this Notice. The Settlement Administrator may accept or reject your dispute.
EXCLUDE YOURSELF	If you do not want to participate in the Settlement and receive a Claim Amount, you may opt-out of any connection with this Action and retain any rights you may have against Defendants, as explained below.
OBJECT	If you do not exclude yourself you may object to the settlement by submitting an objection. The Court may or may not agree with your objection.
HOW MUCH CAN I GET?	Look at the Estimated Claim Amount in Section 10 below “What Can I Get From this Settlement?”

THE FOLLOWING RECITATIONS DO NOT CONSTITUTE THE FINDINGS OF THE COURT NOR SHOULD THEY BE UNDERSTOOD TO BE AN EXPRESSION OF THE COURT’S VIEWS ON THE MERITS OF ANY CLAIM OR DEFENSE RAISED BY THE PARTIES.

Questions? Call (800) 523-5773

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

1. Why Did I Get This Notice?

Cosmotronic's records indicate that you were employed by Cosmotronic in California in a position eligible to receive a money payment during the relevant time ("Class Member").

The Orange County Superior Court (the "Court") preliminarily approved the Settlement on behalf of the Class. The Court has not entered judgment and has not determined that there is any merit to Plaintiffs' claims or that Defendants engaged in any wrongdoing in this Action. The Court still has to decide whether to grant final approval of the Settlement. If the Court grants final approval of the Settlement, and after any objections and appeals are resolved, a Settlement Administrator appointed by the Court will make the payments that the Settlement allows.

Plaintiffs, Defendants, and their respective counsel, have concluded that the Settlement is fair and in the best interests of the Class Members considering the risks and uncertainties to each side of continued litigation. Because the Settlement will affect your legal rights, the Court ordered that this Notice be sent to you. This Notice will provide you with a brief description of the Action; inform you of the terms of the Settlement; and advise you of your legal rights.

2. What is the Lawsuit About?

The lawsuit, *Lucatero et al. v. TC Cosmotronic, Inc.*, defined herein as the "Action" alleges claims for: (1) failure to provide meal and rest breaks, (2) failure to pay overtime and minimum wages, (3) failure to pay all vested vacation wages, (4) failure to maintain accurate wage statements, (5) failure to pay all wages upon termination of employment, (6) violation of Business & Professions Code § 17200 *et seq.* (collectively the "Class Claims").

3. What is Defendants' Position?

Defendants specifically and generally deny any and all liability or wrongdoing of any sort with regard to the claims alleged in the Action, including the Class Representatives' claims, believe that they do not have any liability to the Class under the claims asserted in the Action, and dispute that the Class should be certified, except for settlement purposes only. Nonetheless, this Settlement is entered into solely for the purpose of compromising highly-disputed claims. Nothing in this Settlement is intended or will be construed as an admission of liability or wrongdoing by Defendants.

4. Has the Court Decided Who is Right?

No. The Court only decided you should get this Notice so you can review the Settlement and decide whether you want to participate in the settlement, object to it, or exclude yourself from Settlement.

5. Who Are The Attorneys Representing the Plaintiffs and the Class?

LAW OFFICES OF KENNETH H. YOON

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Questions? Call (800) 523-5773

6. Do I Need to Hire an Attorney?

You do not need to hire your own attorney for this Settlement. You are already represented by Class Counsel (see Section 5). However, you may hire your own attorney at your own expense if you choose to do so. If you hire an attorney, your attorney must file a Notice of Appearance with the above-entitled Court no later than December 6, 2018. You will be responsible for any attorneys' fees and costs charged by your own attorney.

7. Why Is There a Settlement?

The Parties have determined that it is in their mutual best interest to settle this Action due to the uncertainties of trial, benefits of settlement, associated costs of continued litigation, likely appeals, and inconvenience and interference with personal matters and business operations of the parties and class members. The Settlement was reached through lengthy negotiations between the Parties with the assistance of a neutral, third-party Judge, the Honorable Robert Moss of the Orange County Superior Court. The Settlement is a compromise of disputed claims and is not an admission that any Defendant violated the law.

The Court did not decide in favor of Plaintiffs or Defendants. After a thorough investigation into the facts of this lawsuit, the Parties agreed to the Settlement. The Class Claims against Defendants were settled because Class Counsel and the Class Representatives believe that the amount of the Settlement is fair and reasonable in light of the strength and weaknesses of the Class Claims, and risks and expense of going to trial.

8. How Do I Know If I Am Part of the Settlement?

You are a Class Member if you were a non-exempt employee of T.C. Cosmotronic, Inc. who worked in California during the Class Period.

9. What Does the Settlement Provide?

Settlement Amount

Defendants have agreed to pay a total of \$190,000.00 ("Gross Settlement Amount") to settle this Action. The Gross Settlement Amount includes, without limitation, the Qualified Claimants' Claim Amounts, the Settlement Administration Costs, attorneys' fees, litigation costs, and the Class Representatives' Enhancement Payments. The Gross Settlement Amount includes the employer's share of payroll taxes only if and to the extent the employer's share of payroll taxes is greater than \$5,000.00. Defendants have agreed to separately pay the employer's share of payroll taxes up to \$5,000.00.

The "Net Settlement Amount" means the Gross Settlement Amount less all the items described immediately above except for the Claim Amounts to be paid to the Qualified Claimants.

Class members who do not request to be excluded from the Settlement will receive a share of the Settlement and will release any claims against Defendants that could have been brought in the lawsuit.

Distribution of the Gross Settlement Amount

Subject to the terms and conditions of the Settlement approved by the Court, the Settlement Administrator will make the following payments from the Gross Settlement Amount as follows:

First, the Settlement Administrator will pay Enhancement Payments to Plaintiffs, as awarded by the Court. Class Counsel will apply to the Court for an amount not to exceed \$7,500.00 for Plaintiff Melchor Lucatero, and an amount not to exceed \$7,500.00 for Plaintiff Antonio Lucatero, in recognition of Plaintiffs' efforts and risks (financial, professional, and emotional) taken in pursuing this Action. The Court will determine the actual amount awarded to the Plaintiffs.

Second, the Settlement Administrator will pay Class Counsel's attorneys' fees and litigation costs as awarded by the Court. Class Counsel will apply to the Court for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount (for a total of up to \$63,333.33) for their Class Counsel attorneys' fees payment and an award of actual litigation costs (not to be exceed \$15,000.00). The Court will determine the actual amounts awarded.

Third, the Settlement Administrator will pay itself for all reasonably incurred administration costs, including the cost of preparing and mailing this Notice and processing payments under the Settlement Agreement. The Court will determine the actual amount awarded. The amount shall not exceed \$9,100.00.

Fourth, the Settlement Administrator will pay any other fees and/or expenses (other than attorneys' fees and expenses) incurred in implementing the terms and conditions of the Settlement and securing a judgment.

Fifth, the Settlement Administrator will pay Defendant's employer share of payroll taxes to the appropriate taxing authorities by exhausting the \$5,000.00 paid by Defendants specifically for that purposes, with the balance owing (if any) to be deducted from the Net Settlement Amount.

Sixth, the Settlement Administrator will distribute the Net Settlement Amount on a proportional basis as Claim Amounts to each Qualified Claimant.

10. What Can I Get From the Settlement?

Each Qualified Claimant will be paid a Claim Amount from the Net Settlement Amount. The amount of each Qualified Claimant's Claim Amount shall be treated as follows. Thirty-three and one-third percent (33 1/3%) will be treated as disputed wages and shall be subject to (and will be reduced by) the normal payroll taxes and withholdings and W-2 reporting. The remaining sixty-six and two-thirds percent (66 2/3%) will be allocated to disputed penalties and interest and shall be subject to (and reduced by) all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

You will be solely responsible for the reporting and payment of any federal, state, and/or local income or other tax withholdings, if any, on your Claim Amount.

If you do not timely submit a valid request for exclusion by December 6, 2018, you will receive your Claim Amount after the Court approves the Settlement.

Cosmotronic's records indicate that during the Class Period of August 28, 2011 to September 12, 2018, you were actively employed as a non-exempt employee in California during the period from **«Hire_»** to **«Term1»** and your number of qualified workweeks is **«Total_Weeks»**. Your *estimated* Claim Amount is **«Est_Sett_Amt»**. This estimated amount will be finalized based on the total number of Class Members who participate in the Settlement.

If you disagree with Cosmotronic's records regarding the time of your employment and/or number of workweeks during the Class Period and wish to challenge it, you must (a) return the Data Dispute Form to the Settlement Administrator and indicate on the Data Dispute Form that you disagree with the information; (b) state your name, address, telephone number, and employee identification number given to you by Cosmotronic or the last four digits of your social security number; (c) provide the period of your employment with Cosmotronic and the number of workweeks you claim to have been actively employed by Cosmotronic and include any supporting documentation; and (d) sign and date the writing and include a return address or contact information.

Please Note: Failure to provide documentation in support of the information you provide may result in rejection of said information.

Your challenge must be postmarked no later than December 6, 2018. The date of the postmark on the envelope shall be the exclusive means used to determine whether the challenge has been timely submitted. If you do not timely challenge the employment information contained above, said information shall govern the calculation of your Claim Amount under the Settlement. You may contact the Settlement Administrator whose contact information is at Section 15.

If a challenge is timely submitted but is deficient or incomplete, the Settlement Administrator will send to you within five (5) business days of receipt of the challenge a deficiency notice explaining the deficiencies and stating that you will have ten (10) calendar days from the date of the deficiency notice to correct the deficiencies and resubmit the challenge

In the event of such a dispute, the Settlement Administrator will contact you and Defendants and will work in good faith to resolve it. Cosmotronic will review its payroll and personnel records to verify the correct number of workweeks. Cosmotronic's records will have a rebuttable presumption of correctness. After consultation with Class Counsel, the Settlement Administrator will make a determination of your number of workweeks and that determination will be final and binding on Plaintiffs, Defendants, and you, and will be non-appealable.

11. How Was My Share Calculated?

Based on information provided by Cosmotronic, the Settlement Administrator calculated the number of full or partial workweeks that each Class Member was actively employed as a non-exempt employee in California during the Class Period divided by the total number of workweeks that every Class Member was actively employed as a non-exempt employee in California during the Class Period, multiplied by the Net Settlement Amount. Qualified workweeks for Class Members who were not employed with Cosmotronic as of September 12, 2018, were weighted at 1.1x those of qualified workweeks for Class Members who are employed as of September 12, 2018.

There will be no reversion of any of the Gross Settlement Amount or Net Settlement Amount to Defendants. The calculation of a Class Member's workweeks worked has been determined from Cosmotronic's records.

12. How Can I Get Payment?

If you take no further action as a Class Member, you will be considered a Qualified Claimant, you will be represented by Class Counsel, and will have the right to recover your Claim Amount if the Settlement is approved by the Court and the Final Approval Date occurs.¹ As a Qualified Claimant, you will not be separately charged for the services of Class Counsel. As a Qualified Claimant, you will be bound by the terms of the Settlement which will result in a release of your claims as described below under **Released Claims**.

13. When Would I Get My Payment?

The Court will hold the Final Approval Hearing on or January 18, 2019 at 9:00 a.m. in Department CX 104 of the California Superior Court for the County of Orange, 751 W. Santa Ana Blvd., Santa Ana, California 92701, to decide whether to approve the Settlement.

¹ "Effective Date" means the last of the following dates, as applicable: (i) if no Class Member files an objection to the Settlement on or prior to the Court entering an order granting final approval of the settlement, then five days after the date the Court enters an order granting final approval of the settlement; or (ii) if there is an objection to the settlement by a Class Member on or prior to the date the Court enters an order granting final approval of the settlement, then 10 days after the date of final resolution of that objection (including any appeal) resulting in final judicial approval of the settlement.

Within 15 days after wire receipt of the Gross Settlement Amount from Defendants (wire transfer of the Gross Settlement Amount shall be made no later than 30 business days of the Effective Date), the Claims Administrator shall issue Claim Amounts to Qualified Claimants in the form of a check, which shall become null and void if not deposited within one hundred eighty (180) days of issuance. After one hundred eighty (180) days of issuance, funds from undeposited checks will be held by the Settlement Administrator; if the Qualified Claimant to whom the undeposited check is issued does not contact Class Counsel or the Settlement Administrator concerning his or her settlement payment within such one-hundred eighty (180) days of issuance of the payment, the amount of that Qualified Claimant's Claim Amount that has remained undeposited as of that time shall be transmitted to the California Department of Industrial Relations to be held by the Controller and disposed of under California's Unclaimed Property Law. The failure by a Qualified Claimant to claim or deposit any check issued by the Settlement Administrator shall have no effect on that Qualified Claimant's release of all Qualified Claimant's Released Claims as set forth herein; the Settlement shall remain binding on the Class Member, and the release of claims shall remain in effect.

To the extent any amounts withheld for employee tax withholdings is returned by the IRS to the Settlement Administrator, 50% of such amounts shall be directed to the following the following *cy pres* beneficiaries:

- (a) Fifty percent (50%) to the State Treasury for deposit in the Trial Court Improvement and Modernization Fund, established in Section 77209 of the Government Code, and subject to appropriation in the annual Budget Act for the Judicial Council to provide grants to trial courts for new or expanded collaborative courts or grants for Sargent Shriver Civil Counsel.
- (b) Fifty percent (50%) to State Treasury for deposit into the Equal Access Fund of the Judicial Branch, to be distributed in accordance with Sections 6216 to 6223, inclusive, of the Business and Professions Code, except that administrative costs shall not be paid to the State Bar or the Judicial Council from this sum.

14. What Rights Do I Give Up If I Participate or Do Nothing?

Unless you exclude yourself from the Settlement, you will be part of the Class, and you will be bound by the terms of the Settlement, including the Released Claims described below. That means that you will be unable to sue, or to continue to sue, or be part of any other lawsuit about the Released Claims. It also means that all of the Court's orders will apply to you and legally bind you.

Released Claims

Upon the Final Approval Date, unless you submit a valid and timely request for exclusion, you shall be deemed to have fully, finally, and forever released Defendants and their predecessors and successors, as well as their current, former and future parents, subsidiaries, affiliated companies, fiduciaries, insurers, agents employees, assigns, subrogees, privies, officers, officials, directors, administrators, attorneys, contractors, and shareholders ("Releasees") from any and all claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or liabilities, of any nature, type, and description whatsoever, brought on behalf of the Plaintiffs and the Class pending in the Action, and all related and operative pleadings in the Action, including but not limited to: violation of Labor Code section 226.7 (meals and rest periods), violation of Labor Code section 1194 (overtime wages), violation of Labor Code section 227.3 (vested vacation wages), violation of Labor Code section 203 (waiting time penalties), violation of Labor Code section 226 (record keeping and wage statements), and violation of Business & Professions Code section 17200, *et seq.* (Unfair Business Practices and Unfair Competition) premised on violation of Labor Code §§ 203, 226, 226.7, 227.3, and 1194. The Released Claims are those that accrued during the period from August 28, 2011 through September 12, 2018.

Additionally, and solely with respect to the Released Claims, and to effect a full and complete release as described herein, Plaintiffs, Class Representatives and all Settlement Class members also expressly waive and relinquish all rights and benefits of California Civil Code section 1542, and do so understanding and acknowledging the significance and consequence of specifically waiving all rights and entitlements under California Civil Code section 1542, which provides as follows:

Questions? Call (800) 523-5773

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

15. How Do I Exclude Myself from the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself (generally called “opting out”) by submitting a written opt-out request to the Settlement Administrator. Your request for exclusion must (a) be in writing; (b) state the name, address and telephone number of the Class Member; (c) state either the Class Member’s approximate years of employment with Defendant or the employee identification number given to the Class Member by Defendant; (d) request exclusion from the Class saying words to the effect of “I wish to opt out of the Class in: *Lucatero et al. v. TC Cosmotronic Inc. et al.*, Orange County Superior Court Case No. 30-2015-00807036-CU-OE-CJC”; (e) be signed and dated with return address or contact information; and (f) be sent via U.S. Mail post-marked no later than the December 6, 2018 to the Settlement Administrator identified below.

You must sign the request for exclusion personally and may not have someone sign for you, nor may you submit a request for exclusion on behalf of a group.

Lucatero et al. v. TC Cosmotronic, Inc. et al.
c/o Phoenix Settlement Administrators
PO Box 7208
Orange, CA 92863
(800) 523-5773

If you submit a timely request for exclusion, then upon its receipt you shall no longer be a member of the Class, you shall be barred from participating in any portion of the Settlement, you may not object to the Settlement, and you shall receive no benefits from the Settlement. If you wish, you may pursue, at your own expense, any claims you may have against Defendants. If you do not submit a complete and timely written request for exclusion, you will be included in the Class, and be bound by the terms of the Settlement (including the Released Claims described in Section 14 above), whether or not you disputed or challenged your employment information and/or filed an objection to the Settlement.

Do not submit both an objection and request for exclusion. If you submit both, the request for exclusion will be controlling, and you will be excluded from the Settlement Class.

The Court will hold the Final Approval Hearing in Department CX104 of the California Superior Court for the County of Orange, 751 W. Santa Ana Blvd., Santa Ana, California 92701, on January 18, 2019 at 9:00 a.m. or such other, later date as the Court may authorize, to determine whether the Settlement is fair, reasonable, and adequate; and if there are objections, the Court will consider them. The Court will also be asked to approve requests including, but not limited to, Class Counsel’s request for attorneys’ fees and litigation costs, the Class Representatives’ Enhancement Payments, and the Settlement Administration Costs.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have filed a notice of intention to appear with the Court.

16. How Do I Object to the Settlement and Appear at the Final Approval and Fairness Hearing?

If you do not submit a timely and valid request for exclusion but wish to object or otherwise be heard concerning this Settlement, you must provide the Settlement Administrator with written notice of your intent to object or comment to this Settlement. To be considered timely, the notice must be served on the Settlement Administrator no later than December 6, 2018. The date of the postmark on the envelope shall be the exclusive means used to determine whether the objection has been timely submitted.

Questions? Call (800) 523-5773

The notice must set forth any and all objections/comments to this Settlement and include any supporting papers and arguments. Either of the Parties may file a responsive document to any notice of intent to object or appear with the Court no later than five (5) business days before the Final Approval and Fairness Hearing.

If you timely file and serve a valid written objection, you may appear at the Final Approval Hearing scheduled for January 18, 2019 at 9:00 a.m in Department CX104 of the California Superior Court for the County of Orange, 751 W. Santa Ana Blvd., Santa Ana, California 92701. You have the right to appear at the Final Approval Hearing in person or through your own attorney (at your own expense).

You do not have to attend the hearing, but you may do so at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed and served your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

If you object to the Settlement, you will still remain a Qualified Claimant of the Settlement Class, and if the Court approves the Settlement, you will be bound by all the terms of the Settlement including the Qualified Claimants' Released Claims against the Releasees.

Do not file an objection if you only dispute the accuracy of the number of workweeks you worked during the Class Period identified in this Notice. The procedure for disputing that information is set forth above. **Do not** file an objection if you decided to exercise your right to opt-out of the Settlement as described above, because you are not permitted to object if you opt-out.

If the court approves the Settlement despite any objections, you will receive your Claim Amount and will be bound by the terms of the Settlement (including the Released Claims described in Section 14 above).

17. How Do I Get Additional Information?

As a Qualified Claimant, if you move or change your address, and you want to continue to receive information and /or your Claim Amount at your new address, you must send notice of your change of address to the Settlement Administrator.

This Notice is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the Joint Stipulation of Settlement and Release, which is on file with the Clerk of the Court, Case Number 30-2015-00807036-CU-OE-CJC, Orange County Superior Court, 751 W. Santa Ana Blvd., Santa Ana, California 92701. You may also contact the Settlement Administrator at 1 (888) 651-8865 and/or Class Counsel listed in Section 5.

18. Important Deadlines

The deadline to submit any of the following is **December 6, 2018**:

- Challenge (along with documentation) of number of workweeks;
- Request for Exclusion from participating in the Settlement; or
- Notice of Objection to the Settlement.

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.