

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

EDITH GUTIERREZ, as an individual and on behalf
of all others similarly situated,

Plaintiff,

vs.

DELTRONIC CORPORATION, a California Limited
Liability Company; and DOES 1 through 100,

Defendants.

Case No. 30-2020-01139890-CU-0E-CXC

NOTICE OF CLASS ACTION SETTLEMENT

To: All current and former non-exempt employees who performed work for Defendant Deltronic Corporation (“Deltronic”) in California between April 1, 2016 to February 15, 2021 (the “Class Period”). Collectively, these employees will be referred to as “Settlement Class Members.”

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *Edith Gutierrez v. Deltronic Corporation*, Orange County Superior Court, Case No. 30-2020-01139890-CU-CXC (the “Lawsuit”). Your rights may be affected by the Settlement, and it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Deltronic’s records show that you were employed by Deltronic as a non-exempt employee in California between April 1, 2016 and February 15, 2021 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Edith Gutierrez (“Plaintiff”) brought this lawsuit against Deltronic, asserting claims on behalf of all Settlement Class Members. Plaintiff is known as the “Class Representative,” and her attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

In the Lawsuit, Plaintiff alleges that Deltronic: (1) failed to provide all lawful meal periods; (2) failed to authorize and permit all lawful rest periods; (3) failed to maintain accurate records and issue accurate, itemized wage statements; (4) failed to timely pay all final wages at separation; (5) engaged in unfair unlawful business practices; and (6) is liable for civil penalties under the Private Attorneys General Act (“PAGA”).

Deltronic denies that it has done anything wrong. Deltronic denies that it owes Settlement Class Members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Deltronic, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with business operations, the parties concluded that it is in Deltronic’s best interests and the interests of Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice. After Deltronic provided relevant information to Class Counsel, the Settlement was reached after mediation and arms’-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Deltronic, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Deltronic, your decision about whether to participate in the Settlement will not affect your employment. California law and Deltronic’s policy strictly prohibit unlawful retaliation. Deltronic will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / Settlement Class Members:	Attorneys for Deltronic:
HAINES LAW GROUP, APC Paul K. Haines (SBN 248226) phaines@haineslawgroup.com Fletcher W. Schmidt (SBN 286462) fschmidt@haineslawgroup.com Alexandra R. McIntosh (SBN 320904) amcintosh@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	LAW OFFICES OF MANDEEP S. RUPAL Mandeep Singh Rupal (SBN 279664) mrupal@rupallaw.com Alex Richter (SBN 333767) alex@ruallaw.com 4740 Green River Road, Suite 207 Corona, CA 92880 Tel: (951) 460-0830 Fax: (951) 963-9920

What are the terms of the Settlement?

On August 28, 2021, the Court preliminarily certified a class – for settlement purposes only – of all current and former non-exempt employees who worked for Deltronic in California during the Class Period. Settlement Class Members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Deltronic, as described below in the “Release” section.

Deltronic agreed to pay \$900,000.00 (the “Maximum Settlement Amount”) to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, attorneys’ fees and expenses, settlement administration costs, payment to the California Labor and Workforce Development Agency (“LWDA”) for its share of PAGA civil penalties, and the Class Representative Enhancement Payment. The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$10,000.00 from the Maximum Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Maximum Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Fund (which is currently estimated to be \$300,000.00) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award \$5,000.00 to Plaintiff as a Class Representative Enhancement Payment. This is meant to compensate Plaintiff for his service and extra work provided on behalf of the Settlement Class Members.

PAGA Payment to the State of California. The parties have agreed to allocate \$50,000.00 of the Maximum Settlement Amount as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties (\$37,500.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 25% (\$12,500.00) will be payable to the Settlement Class in addition to Net Settlement Amount.

Calculation of Settlement Class Members’ Settlement Awards. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount will be divided as follows:

- (i) Wage Statement: Ten percent (10%) of the Net Settlement Amount shall be designated as the “Wage Statement.” Each participating Settlement Class Member who was employed by Deltronic at any time between April 1, 2019 to February 15, 2021 shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period.
- (ii) Waiting Time Amount: Five percent (5%) of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” The Waiting Time Amount shall be distributed in equal, pro-rata shares to each participating Settlement Class Member who separated their employment from Deltronic at any time between April 1, 2017 and February 15, 2021.

- (iii) The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Class Period.

Payment from PAGA Amount: In addition to the Net Settlement Amount, \$12,500.00 of the Maximum Settlement Amount has been designated as the "PAGA Amount" as described above, and will be allocated to all Settlement Class members who worked for Deltronic in California at any time from April 3, 2019 February 15, 2021 (the "PAGA Period"), in proportion to the number of pay periods that each Settlement Class member worked for Deltronic in California during that time period.

Settlement Awards to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to Settlement Class Members who did not submit a valid and timely Request for Exclusion. Each participating Settlement Class Member who receives a Settlement Award must cash that check within 180 calendar days from the date the Settlement Administrator mails it. Any funds payable to participating Settlement Class Members whose checks are not cashed within 180 calendar days after mailing will be distributed by the Settlement Administrator to Kind, Inc., a 501(c)(3) charitable organization dedicated to promoting the well-being of children.

Allocation and Taxes. For tax purposes, each Settlement Award will be allocated as 80% penalties and interest issued pursuant to an IRS Form 1099; and 20% as wages issued pursuant to an IRS Form W-2. Settlement Class Members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, Deltronic and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, each Settlement Class Member who does not opt-out will release and discharge Defendant from any and all claims that were pled in the Action, or which could have been pled in the Action based on the factual allegations in the Action, that arose during the Class Period. In addition, all Settlement Class members (whether or not they opt out) who worked for Deltronic in California at any point during the PAGA Period shall release any right or claim pursuant to the PAGA arising during the PAGA Period under the California Labor Code or Wage Orders based on the alleged failures to (1) provide all lawful meal periods; (2) authorize and permit all lawful rest periods; (3) maintain accurate records and issue accurate, itemized wage statements; and (4) timely pay all final wages at separation ("PAGA Released Claims").

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class Members, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Settlement Award which has been calculated for you based on the formula set forth above, as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks that you worked during the relevant time periods and whether your employment separated during the relevant time period. The information contained in Deltronic's records regarding this information, along with your estimated Settlement Award, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than November 15, 2021. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. Should a consensus not be reached, any outstanding disputes will be submitted to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Class Settlement, you may exclude yourself by sending to the Settlement Administrator an executed Request for Exclusion Form no later than November 15, 2021, with your name, address, telephone number, last four digits of your social security number, and your signature. A Request for Exclusion Form is included with this Notice.

Send the Request for Exclusion directly to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in the Class Settlement, and shall receive no benefits from the Class Settlement. However, to the extent you are eligible to receive a portion of the PAGA Payment, you will still receive that amount whether or not you submit a Request for Exclusion. This is because, if the Court approves the PAGA Settlement, there is no right to be excluded from the PAGA Release that is part of this Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Class Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. All objections or other correspondence must state the name and number of the case, which is *Edith Gutierrez v. Deltronic Corporation*, Orange County Superior Court, Case No. 30-2020-01139890.

You may also appear at the Final Approval Hearing scheduled for December 3, 2021 at 1:30 p.m. in Department CX101 of the Orange County Superior Court, located at 751 W Santa Ana Blvd, Santa Ana, California 92701. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing, if you wish to appear in person. You have the right to appear either in person or through your own attorney at this hearing, whether or not you submit a written objection. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on December 3, 2021 at 1:30 p.m., in Department CX101 of the Orange County Superior Court, located at 751 W Santa Ana Blvd., Santa Ana, California 92701. If the location, date, and/or time of the Final Approval Hearing is moved, notice will be posted at <http://www.phoenixclassaction.com/>. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the Enhancement Payment to the Class Representative, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing.**

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Clerk's Office at the Orange County Courthouse, located at 751 W Santa Ana Blvd., Santa Ana, California 92701, during regular business hours or on the Court's website listed below. You may also contact Class Counsel using the contact information listed above for more information.

Web Address: <https://ocjustice.occourts.org/civilwebShoppingNS/Login.do>
Case Number: 01139890
Year Filed: 2020

You may also view the Settlement Agreement and First Amended Complaint at <http://www.phoenixclassaction.com/>.

PLEASE DO NOT CALL OR WRITE THE COURT, DELTRONIC, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **November 15, 2021.**