

1 MARY DOLLARHIDE (Bar No. 138441)
2 TAYLOR WEMMER (Bar No. 292539)
3 mary.dollarhide@dlapiper.com
4 taylor.wemmer@dlapiper.com
5 **DLA PIPER LLP (US)**
6 4365 Executive Drive, Suite 1100
7 San Diego, CA 92121-2133
8 Tele: 858.677.1400
9 Fax: 858.677.1401

7 *Attorneys for Defendants*
8 NSC Technologies, LLC and
9 BAE Systems San Diego Ship Repair Inc.,
erroneously sued as “BAE Systems, Inc.”

10 MATTHEW J. MATERN (State Bar No. 159798)
11 SCOTT A. BROOKS (State Bar No. 160115)
12 matern@maternlawgroup.com
13 sbrooks@maternlawgroup.com
14 **MATERN LAW GROUP, PC**
15 1230 Rosecrans Avenue, Suite 200
16 Manhattan Beach, CA 90266
17 Telephone: (310) 531-1900
18 Fax: (310)531-1901
19 *Attorneys for Plaintiff*
20 Arthur Thompson

17 UNITED STATES DISTRICT COURT
18 SOUTHERN DISTRICT OF CALIFORNIA
19

20
21 ARTHUR THOMPSON, and
22 individual, and on behalf of others
23 similarly situated,

24 Plaintiff,

25 v.

26 NSC TECHNOLOGIES, LLC, a
27 Virginia limited liability corporation;
28 BAE SYSTEMS, INC., a Delaware
corporation; and DOES 1 through 50,
inclusive,

Defendants.

CASE NO. 3:20-cv-00371-JLS(MSB)

**STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

1 **STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 This Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
3 Agreement”) is made and entered into by and between plaintiff Arthur Thompson (“Plaintiff”
4 or “Class Representative”), an individual and on behalf of others similarly situated, and
5 defendants NSC Technologies, LLC (“NSC”) and BAE Systems San Diego Ship Repair Inc.
6 (“BAE SDSR”), erroneously sued as “BAE Systems, Inc.” (jointly, “Defendants” and
7 collectively with Plaintiff, the “Parties”).

8 Through mediator Deborah Saxe, the Parties reached a binding agreement on June 8,
9 2021, documented in a Term Sheet (a true and correct copy of which is attached as **Exhibit A**),
10 to settle the Action on the terms set forth therein and further documented in this Settlement.
11 The Term Sheet is incorporated into this Settlement Agreement as **Exhibit A**. In the event of
12 any conflict or inconsistency between the terms and provisions of the Term Sheet and those of
13 the Settlement Agreement, the terms and provisions of the Settlement Agreement shall govern.

14 **DEFINITIONS**

15 The following definitions are applicable to this Settlement Agreement. Definitions
16 contained elsewhere in this Settlement Agreement will also be effective:

- 17 1. “Action” means the action entitled *Arthur Thompson v. NSC Technologies,*
18 *LLC, et al., 3:20-cv-00371-JLS (MSB).*
- 19 2. “Attorneys’ Fees and Costs” means attorneys’ fees sought by Class Counsel for
20 litigation and resolution of the Action, and all reasonable costs incurred and to be incurred by
21 Class Counsel in the Action. Class Counsel will request attorneys’ fees in the amount of one-
22 third of the Class Settlement Amount, or Nine Hundred Sixteen Thousand Six Hundred Sixty
23 Six Dollars and Sixty Seven Cents (\$916,666.67) plus actual costs.
- 24 3. “Class Counsel” means and includes Matthew J. Matern and Scott A. Brooks of
25 the Matern Law Group, PC.
- 26 4. “Class Counsel Award” means any attorneys’ fees, expenses or costs awarded to
27 Class Counsel by the Court.
- 28 5. “Class List” means a complete list of all Settlement Class Members that

1 Defendants will diligently and in good faith compile from its records and provide to the
2 Settlement Administrator within ten (10) calendar days after an order granting Preliminary
3 Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and
4 will include each Class Member's full name; last known mailing address and telephone number
5 contained in Defendants' Human Resources personnel records; Social Security number;
6 employment status; and the respective number of workweeks that each Class Member worked
7 during the Class Period according to Defendants' records.

8 6. "Class Period" means the period from January 10, 2016, and the earlier of the
9 date of Preliminary Approval or August 8, 2021.

10 7. "Class Representative Enhancement Payment" means the amount to be paid to
11 plaintiff Arthur Thompson in recognition of his effort and work in prosecuting the Action on
12 behalf of Settlement Class Members, and for his general release of claims. Subject to the Court
13 granting final approval of this Settlement Agreement and subject to the exhaustion of any and
14 all appeals, Plaintiff will request Court approval of a Class Representative Enhancement
15 Payment of Fifteen Thousand Dollars (\$15,000.00), not to be opposed by Defendants.

16 8. "Class Settlement Amount" means the non-reversionary gross Settlement
17 Amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00), to be paid
18 by Defendants in full satisfaction of all Released Claims, which covers all of Defendants'
19 liabilities arising from the settlement, including all Individual Settlement Payments to
20 Participating Class Members, the Class Representative Enhancement Payments to Plaintiff,
21 the Labor and Workforce Development Agency Payment, Class Counsel Award, the
22 employers' share of taxes, including FICA, FUTA, and SDI contributions, and other
23 Settlement Administration Costs. In no event will Defendants be liable for more than the Class
24 Settlement Amount except as otherwise explicitly set forth herein. The Settlement
25 Administrator shall make all employer tax payments on behalf of Defendants.

26 9. "Court" means the United States District Court for the Southern District of
27 California.

28 10. "Effective Date" means the later of: (i) if no timely objections are filed, or if filed

1 and withdrawn prior to final approval, the date upon which the Court enters an order granting
2 final approval of the Stipulation of Class Action Settlement and Release; or (ii) if timely
3 objections are filed and not withdrawn, then either five (5) days from the final resolution of any
4 appeals timely filed, or the expiration date of the time for filing or noticing any such appeals,
5 provided that the Settlement is finally approved.

6 11. “Funding Date” means ten (10) business days after the Effective Date.

7 12. “Individual Settlement Payment” means each Participating Class Member’s
8 respective share of the Net Settlement Amount.

9 13. “Labor and Workforce Development Agency Payment” means the amount that
10 the Parties agree to pay to the Labor and Workforce Development Agency (“LWDA”) in
11 connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code
12 §§ 2698, *et seq.*, “PAGA”). The Parties agree that One Hundred Thousand Dollars
13 (\$100,000.00) of the Class Settlement Amount will be allocated to the resolution of Settlement
14 Class Members’ claims arising under PAGA. Pursuant to PAGA, Seventy-Five Percent
15 (75%), or Seventy-Five Thousand Dollars (\$75,000.00), of the Labor and Workforce
16 Development Agency Payment will be paid to the California LWDA, and Twenty-Five
17 Percent (25%), or Twenty Five Thousand Dollars (\$25,000.00), of that Amount will be
18 included in the Net Settlement Amount.

19 14. “Net Settlement Amount” means the portion of the Class Settlement Amount
20 remaining after deducting the Class Representative Enhancement Payments, the Class Counsel
21 Award, Settlement Administration Costs, and the Labor and Workforce Development Agency
22 Payment. The entirety of the Net Settlement Amount will be distributed to Participating Class
23 Members. There will be no reversion of the Net Settlement Amount to Defendants.

24 15. “Notice of Objection” means a Settlement Class Member’s valid and timely
25 written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must
26 include: (i) the objector’s full name, signature, address, and telephone number, (ii) a written
27 statement of all grounds for the objection accompanied by any legal support for such objection;
28 (iii) copies of any papers, briefs, or other documents upon which the objection is based; and

1 (iv) a statement whether the objector intends to appear at the Fairness Hearing. Any Settlement
2 Class Member who does not submit a timely written objection to the Settlement, or who fails
3 to otherwise comply with the specific and technical requirements of this section, will be
4 foreclosed from objecting to the Settlement and seeking any adjudication or review of the
5 Settlement, by appeal or otherwise.

6 16. “Notice Packet” means the Notice of Class Action Settlement, substantially in
7 the form attached as **Exhibit B**.

8 17. “Parties” means Plaintiff and Defendants, collectively.

9 18. “Participating Settlement Class Members” means all Settlement Class Members
10 who do not submit timely and valid Requests for Exclusion.

11 19. “Plaintiff” means plaintiff Arthur Thompson.

12 20. “Preliminary Approval” means the Court order granting preliminary approval of
13 this Settlement Agreement.

14 21. “Released Claims” means all claims, judgments, liens, losses, debts, liabilities,
15 demands, obligations, guarantees, penalties (including but not limited to PAGA penalties,
16 waiting time penalties and all other penalties available under the California Labor Code),
17 costs, expenses, attorneys’ fees, damages, indemnities, actions, causes of action, interest,
18 liquidated damages, litigation costs, restitution, equitable relief, and obligations of every kind
19 and nature in law, equity or otherwise, known or unknown, suspected or unsuspected,
20 disclosed or undisclosed, contingent or accrued, that are or could have been alleged by
21 Settlement Class Members against NSC and/or BAE SDSR in the operative complaint in the
22 Action, and any amendment(s) thereto, or in the Notice of Labor Code Violations sent to the
23 LWDA, based on the factual allegations contained therein for the Class Period (January 10,
24 2016, through the earlier of the date of Preliminary Approval or August 8, 2021), including:
25 (a) all claims for failure to pay overtime wages in violation of the Fair Labor Standards Act
26 (29 U.S.C. Section 201, *et seq.*); (b) all claims for failure to pay minimum wages in violation
27 of the Fair Labor Standards Act (29 U.S.C. Section 201, *et seq.*); (c) all claims for unpaid
28 overtime (Labor Code §§ 510, 1194, 1198, and IWC Wage Order 4, and IWC Wage Orders

1 1-2001 and 9-2001, § 3); (d) all claims for meal and rest period violations (Labor Code §§
2 226.7, 510, 512, 1194, 1197, IWC Wage Order No. 1-2001 and 9-2001, §§ 11, 12); (e) all
3 claims for unpaid minimum wages (Labor Code §§ 1194, 1197, 1197.1, IWC Wage Order
4 No. 1-2001 and 9-2001, § 4); (f) all claims for the failure to timely pay wages upon
5 termination, failure to pay waiting time violations, and failure to pay all wages due to
6 discharged and quitting employees (Labor Code §§ 201, 202 and 203); (g) all claims for the
7 failure to timely pay wages during employment (Labor Code § 204); (h) all claims for wage
8 statement violations (Labor Code §§ 226, 1174, IWC Wage Order No. 1-2001 and 9-2001, §
9 7); (i) all claims for the failure to maintain records (Labor Code §§ 226, 1174, 1174.5, and
10 IWC Wage Order No. 1-2001 and 9-2001, § 7); (j) all claims for failure to indemnify
11 employees for necessary expenditures incurred in discharge of duties (Labor Code § 2802);
12 (k) all claims asserted through California Labor Code sections 2698 *et seq.* (the Private
13 Attorneys General Act of 2004 (“PAGA”)) arising out of the aforementioned claims; (l) all
14 claims asserted through California Business & Professions Code § 17200 *et seq.* arising out
15 of the aforementioned claims; and (m) all claims for breach of the covenant of good faith and
16 fair dealing arising out of the aforementioned claims. Workweeks when individuals did not
17 qualify as Settlement Class Members are excluded from this release. Thus, workweeks
18 worked by individuals and Settlement Class Members when employed directly for BAE
19 SDSR and/or when assigned to work at BAE SDSR by an entity other than NSC during the
20 Class Period are not included in the Released Claims.

21 22. “Released Parties” means Defendants and any of their former and present
22 parents, subsidiaries, holding companies, investors, sister and affiliated companies, divisions,
23 and other related entities, as well as its and their successors, predecessors, shareholders,
24 officers, directors, partners, assigns, agents, employees, principals, heirs, administrators,
25 attorneys, vendors, accountants, auditors, consultants, fiduciaries, insurers, reinsurers,
26 employee benefit plans, and representatives, both individually and in their official capacities,
27 past or present, as well as all persons acting by, through, under or in concert with any of these
28 persons or entities.

1 23. “Request for Exclusion” means a timely letter submitted by a Class Member
2 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i)
3 set forth the name, address, and telephone number of the Settlement Class Member requesting
4 exclusion; (ii) be signed by the Settlement Class Member; (iii) be returned to the Settlement
5 Administrator; (iv) clearly state that the Settlement Class Member does not wish to be included
6 in the Settlement; and (v) be postmarked on or before the Response Deadline.

7 24. “Response Deadline” means the deadline by which Settlement Class Members
8 must postmark to the Settlement Administrator Requests for Exclusion, or file Notices of
9 Objection with the Court. The Response Deadline will be thirty (30) calendar days from the
10 initial mailing of the Notice Packet by the Settlement Administrator, unless the 30th day falls
11 on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the
12 next day on which the U.S. Postal Service is open.

13 25. “Settlement Administration Costs” means the reasonable fees and expenses
14 payable from the Class Settlement Amount to the Settlement Administrator for administering
15 this Settlement, including, but not limited to, printing, distributing, and tracking forms for this
16 Settlement, calculating estimated amounts per Class Member, tax reporting and payment,
17 distributing the LWDA payment, Class Settlement Amount and Class Counsel Award, and
18 providing necessary reports and declarations, and other duties and responsibilities set forth
19 herein to process this Settlement, as requested by the Parties. The Settlement Administration
20 Costs will be paid from the Class Settlement Amount, including, if necessary, any such costs
21 in excess of the amount represented by the Settlement Administrator as being the maximum
22 costs necessary to administer the Settlement.

23 26. “Settlement Administrator” means Phoenix Settlement Administrators, or any
24 other third-party class action settlement administrator agreed upon by the Parties, and approved
25 by the Court for the purposes of administering this Settlement. The Parties each represent that
26 they do not have any financial interest in the Settlement Administrator or otherwise have a
27 relationship with the Settlement Administrator that could create a conflict of interest.

28 27. “Settlement Class Member(s)” or “Settlement Class” means all individuals

1 employed by NSC and placed to work at the BAE Systems San Diego Ship Repair Inc.
2 facility at 2205 E. Belt Street in San Diego, California (“BAE SDSR”), as hourly non-exempt
3 employees between January 10, 2016, and the earlier of the date of Preliminary Approval or
4 August 8, 2021.

5 28. “Workweeks” means the seven consecutive days, starting with Sunday,
6 beginning at midnight of that day, worked by Settlement Class Members during the Class
7 Period.

8 **TERMS OF AGREEMENT**

9 Plaintiff, on behalf of himself and the Settlement Class, and Defendants agree as
10 follows:

11 29. Preliminary Approval Motion. The Parties agree to present the Settlement for
12 preliminary approval and continued jurisdiction if preliminary approval is granted to the Hon.
13 Janis L. Sammartino, United States District Court Judge, in the United States District Court for
14 the Southern District of California and to endeavor in good faith to file a Motion for Preliminary
15 Approval, including all executed and necessary exhibits.

16 30. Funding of the Class Settlement Amount. Defendants will make a one-time
17 deposit of the Class Settlement Amount of Two Million Seven Hundred Fifty Thousand
18 Dollars (\$2,750,000.00) into a Qualified Settlement Fund to be established by the Settlement
19 Administrator on or before the Funding Date. After the Effective Date, the Class Settlement
20 Amount will be used to pay: (i) Individual Settlement Payments; (ii) the Labor and Workforce
21 Development Agency Payment; (iii) the Class Representative Enhancement Payment; (iv) the
22 Class Counsel Award; and (v) Settlement Administration Costs.

23 31. Non-Reversionary Settlement. Participating Settlement Class Members are
24 entitled to one hundred percent (100%) of the Net Settlement Amount. Defendants maintains
25 no reversionary right to any portion of the Net Settlement Amounts, including any reduction in
26 the Class Representative Enhancement Payments, Class Counsel Award, the Labor and
27 Workforce Development Agency Payment and the Settlement Administration Costs. If there
28 are any timely submitted opt outs or reduction in the Class Representative Enhancement

1 Payments, Class Counsel Award, the Labor and Workforce Development Agency Payment,
2 and/or the Settlement Administration Costs, the Settlement Administrator shall proportionately
3 increase the Individual Settlement Payments for each Participating Settlement Class Member
4 so that the amount actually distributed to Participating Settlement Class Members equals one
5 hundred percent (100%) of the corresponding Net Settlement Amount.

6 32. Attorneys' Fees and Costs. Plaintiff's counsel will apply to the Court for
7 attorneys' fees payable to Class Counsel in the amount of one-third of the Class Settlement
8 Amount, or Nine Hundred Sixteen Thousand Six Hundred Sixty Six Dollars and Sixty Seven
9 Cents (\$916,666.67) pursuant to the common fund method, plus costs and expenses. The
10 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the Class
11 Counsel Award.

12 33. Class Representative Enhancement Payment. In exchange for general releases
13 of all known and unknown claims that he may have against Defendants and Released Parties
14 based on his employment with Defendants, and in recognition of his effort and work in
15 prosecuting the Action on behalf of Settlement Class Members, Plaintiff will apply for Class
16 Representative Enhancement Payment of Fifteen Thousand Dollars (\$15,000.00). The Class
17 Representative Enhancement Payment will be paid from the Class Settlement Amount and will
18 be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement
19 Agreement, not to be opposed by Defendants. The Settlement Administrator shall issue an IRS
20 Form 1099 to Plaintiff reflecting his Class Representative Enhancement Payment.

21 34. Settlement Administration Costs. The Settlement Administrator will be paid for
22 the reasonable costs of administration of the Settlement and distribution of payments from the
23 Class Settlement Amount. These costs, which will be paid from the Class Settlement Amount,
24 will include, *inter alia*, the required tax reporting on the Individual Settlement Payments and
25 the payment of all taxes arising from the settlement, the issuing of 1099 and W-2 IRS Forms,
26 distributing Notice Packets, calculating and distributing the Class Settlement Amount and
27 Class Counsel Award, and providing necessary reports and declarations.

28 35. Labor and Workforce Development Agency Payment. Subject to Court

1 approval, the Parties agree that the amount of One Hundred Thousand Dollars (\$100,000) from
2 the Class Settlement Amount will be designated for satisfaction of Plaintiff's and Settlement
3 Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Seventy-
4 Five Thousand Dollars (\$75,000), of this sum will be paid to the LWDA and Twenty-Five
5 Percent (25%), or Twenty-Five Thousand Dollars (\$25,000), will become part of the Net
6 Settlement Amount.

7 36. Individual Settlement Payment Calculations. Individual Settlement Payments
8 will be calculated and apportioned from the Net Settlement Amount and will be distributed as
9 follows:

10 36(a) From the Net Settlement Amount, the Settlement Administrator will
11 calculate each Settlement Class Member's Individual Settlement
12 Payment based on the following formula: The Net Settlement
13 Amount will be apportioned to each Settlement Class Member based
14 on their proportionate number of Workweeks, by multiplying the Net
15 Settlement Amount by a fraction, the numerator of which is the
16 Settlement Class Member's individual total Work Weeks, and the
17 denominator of which is the total number of Work Weeks of all
18 Settlement Class Members.

19 36(b) The entire Net Settlement Amount will be disbursed to all Settlement
20 Class Members who do not submit timely and valid Requests for
21 Exclusion. If there are any valid and timely Requests for Exclusion,
22 the Settlement Administrator shall proportionately increase the
23 Individual Settlement Payment for each Participating Settlement
24 Class Member according to the number of workweeks worked, so
25 that the amount actually distributed to the Settlement Class equals
26 one hundred percent (100%) of the Net Settlement Amount. The
27 Individual Settlement Payments will be reduced by any required
28 deductions for each Participating Class Member as specifically set

1 forth herein, including employer-side tax withholdings or deductions.

2 37. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
3 Participating Settlement Class Members under this Settlement, as well as any other payments
4 made pursuant to this Settlement, will not be utilized to calculate any additional benefits under
5 any benefit plans to which any Settlement Class Members may be eligible, including, but not
6 limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
7 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that
8 this Settlement Agreement will not affect any rights, contributions, or amounts to which any
9 Settlement Class Members may be entitled under any benefit plans. For the avoidance of
10 doubt, no Settlement Class Member shall be entitled to any additional right, contribution or
11 amount under any benefit plan as a result of this Settlement or payments made hereunder.

12 38. Administration Process. The Parties agree to cooperate in the administration of
13 the settlement and to make all reasonable efforts to control and minimize the costs and expenses
14 incurred in administration of the Settlement.

15 39. Delivery of the Class List. Within ten (10) calendar days of the entry of the
16 Court's order granting Preliminary Approval, Defendants will provide the Class List to the
17 Settlement Administrator.

18 40. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving
19 the Class List from Defendants, the Settlement Administrator will mail a Notice Packet to all
20 Settlement Class Members via regular First-Class U.S. Mail, using the most current, known
21 mailing addresses identified in the Class List.

22 41. Confirmation of Contact Information in the Class Lists. Prior to mailing, the
23 Settlement Administrator will perform a search based on the National Change of Address
24 Database for information to update and correct for any known or identifiable address changes.
25 Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before
26 the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
27 address affixed thereto and the Settlement Administrator will indicate the date of such re-
28 mailing on the Notice Packet. If no forwarding address is provided, the Settlement

1 Administrator will promptly attempt to determine the correct address using a skip-trace, or
2 other search using the name, address and/or Social Security number of the Class Member
3 involved, and will then perform a single re-mailing.

4 42. Notice Packets. All Settlement Class Members will be mailed a Notice Packet.
5 Each Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a
6 summary of the Settlement Agreement's principal terms; (iii) the Settlement Class definition;
7 (iv) the total number of Workweeks each respective Settlement Class Member worked for
8 Defendants during the Class Period based on Defendants' records; (v) each Settlement Class
9 Member's estimated Individual Settlement Payment and the formula for calculating Individual
10 Settlement Payments; (vi) the dates which comprise the Class Period; (vii) instructions on how
11 to submit Requests for Exclusion or Notices of Objection; (viii) the deadlines by which the
12 Settlement Class Member must postmark Requests for Exclusion, or postmark Notices of
13 Objection to the Settlement; and (ix) the claims to be released. The Parties' proposed form of
14 Class Notice is attached hereto as **Exhibit B**.

15 43. Posting of Settlement Agreement on Settlement Administrator's Website.
16 Within ten (10) calendar days of entry of the Preliminary Approval Order, the Settlement
17 Administrator shall post the Settlement Agreement and any other Court-approved forms to its
18 website.

19 44. Disputed Information on Notice Packets. Settlement Class Members will have
20 an opportunity to dispute the information provided in their Notice Packets. To the extent
21 Settlement Class Members dispute their employment dates or the number of Workweeks on
22 record, Settlement Class Members may produce evidence to the Settlement Administrator
23 showing that such information is inaccurate. The Settlement Administrator will decide the
24 dispute. Defendants' records will be presumed correct, but the Settlement Administrator will
25 evaluate the evidence submitted by the Settlement Class Member and will make the final
26 decision as to the merits of the dispute. All disputes will be decided within ten (10) business
27 days of the Response Deadline.

28 45. Defective Submissions. If a Settlement Class Member's Request for Exclusion

1 is defective as to the requirements listed herein, that Settlement Class Member will be given an
2 opportunity to cure the defect(s), unless the defect relates exclusively to an untimely
3 submission, in which case no opportunity to cure will be allowed. The Settlement
4 Administrator will mail the Settlement Class Member a cure letter within three (3) business
5 days of receiving the defective submission to advise the Settlement Class Member that his or
6 her submission is defective and that the defect must be cured to render the Request for
7 Exclusion valid. The Settlement Class Member will have until the later of (i) the Response
8 Deadline or (ii) fifteen (15) calendar days from the date of the cure letter to postmark a revised
9 Request for Exclusion. If the revised Request for Exclusion is not postmarked within that
10 period, it will be deemed untimely.

11 46. Request for Exclusion Procedures. Any Settlement Class Member wishing to
12 opt out of the Settlement Agreement must sign and postmark a written Request for Exclusion
13 to the Settlement Administrator by the Response Deadline. In the case of Requests for
14 Exclusion that are mailed to the Settlement Administrator, the postmark date will be the
15 exclusive means to determine whether a Request for Exclusion has been timely submitted.

16 47. Cancellation of Settlement Agreement. Within thirty (30) calendar days of the
17 expiration of the period for timely submitting a Request for Exclusion as defined in the Court's
18 Order granting preliminary approval of the Settlement, Defendants will have the option, in their
19 sole discretion, to void the Settlement Agreement in the event that more than five percent (5%)
20 of all individuals eligible to become members of the Settlement Class submit timely and valid
21 Requests for Exclusion or are otherwise deemed by the Court not to be bound by the
22 Settlement. If Defendants exercise this option, they shall be responsible for all Settlement
23 Administration Costs incurred to the date of cancellation.

24 48. Adjustment of Net Settlement Amount. The Class Settlement Amount was
25 calculated with, and is premised on, the understanding that for the period of January 10, 2016,
26 through May 5, 2021, Settlement Class Members worked approximately 64,738 workweeks.
27 If it is determined that the number of workweeks worked by Settlement Class Members for
28 the period of January 10, 2016, through the earlier of Preliminary Approval or August 8,

1 2021, exceeds 71,212 (64,738, plus 6,474 (10% of 64,738)), the Class Settlement Amount
2 will be increased by the same number of percentage points above 10% by which the actual
3 number of workweeks exceeds 64,738. For instance, if the actual number of workweeks is
4 determined to be 12% higher than 64,738, the Class Settlement Amount will be increased by
5 2%. Notwithstanding the foregoing, Defendants may elect to end the class period when the
6 number of workweeks reaches 71,212, rather than pay the additional amounts otherwise
7 required by this paragraph.

8 49. Release of Claims. The Parties agree that it is their intent that the terms set
9 forth in this Settlement Agreement will release any further attempt, by lawsuit, administrative
10 claim or action, arbitration, demand, or other action of any kind by each and all of the
11 Participating Settlement Class Members with respect to the Released Claims.

12 50. Settlement Terms Bind All Settlement Class Members Who Do Not Opt-Out.
13 Any Settlement Class Member who does not affirmatively opt-out of the Settlement
14 Agreement by submitting a timely and valid Request for Exclusion will be bound by all of its
15 terms, including those pertaining to the Released Claims, as well as any dismissal or judgment
16 that may be entered by the Court if it grants final approval to the Settlement. The Settlement
17 Agreement shall constitute, and may be pleaded as, a complete and total defense to any
18 Released Claims currently pending or if raised in the future. Plaintiff and Settlement Class
19 Members will release and discharge Released Parties for all Released Claims arising during the
20 Class Period.

21 The memorandum line of each Settlement check shall state: "Class Action
22 Settlement." By signing and cashing their settlement check, Settlement Class Members shall
23 also consent to opt in to and release any and all overtime and minimum wage claims under
24 the Fair Labor Standards Act ("FLSA"). The back of each settlement check shall include the
25 following language acknowledging the opt-in and release of FLSA claims: "I understand that
26 by signing and cashing this settlement check, I consent to opt-in to the Fair Labor Standards
27 Act ("FLSA") collective action in the matter in Case No. 3:20-cv-00371-JLS-MSB in the
28 Southern District of California, entitled *Arthur Thompson v NSC Technologies, LLC et al.*,

1 and will release and waive all overtime and minimum wage claims under the FLSA as set
2 forth in the Stipulation of Class Action Settlement and Release.”

3
4 51. Released Claims Include Unknown Claims as to Named Plaintiff. Upon the
5 execution of the Settlement Agreement, to the extent allowed by California law, the Named
6 Plaintiff will generally release all claims and waive all rights and benefits arising out of his
7 employment relationship with NSC and his placement at BAE SDR, notwithstanding the
8 provisions set forth in Section 1542 of the California Civil Code. Section 1542 provides:

9 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
10 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
11 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
12 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
13 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
14 PARTY.

15 52. Objection Procedures. To object to the Settlement Agreement, a Settlement
16 Class Member must file a valid Notice of Objection with the Court on or before the Response
17 Deadline. The Notice of Objection must be signed by the Settlement Class Member and
18 contain all information required by this Settlement Agreement. The filing date will be deemed
19 the exclusive means for determining that the Notice of Objection is timely. Settlement Class
20 Members who fail to object in the manner specified above will be deemed to have waived all
21 objections to the Settlement and will be foreclosed from making any objections, whether by
22 appeal or otherwise, to the Settlement Agreement. Settlement Class Members who file timely
23 Notices of Objection will have a right to appear at the Final Approval Hearing in order to have
24 their objections heard by the Court. At no time will any of the Parties or their counsel seek to
25 solicit or otherwise encourage Settlement Class Members to submit written objections to the
26 Settlement Agreement or appeal from the Order and dismissal. Class Counsel will not
27 represent any Settlement Class Members with respect to any such objections to this Settlement.

28 53. Certification Reports Regarding Individual Settlement Payment Calculations.

1 The Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly
2 report that certifies the number of Settlement Class Members who have submitted valid
3 Requests for Exclusion, objections to the Settlement, and whether any Settlement Class
4 Member has submitted a challenge to any information contained in his or her Notice Packet.
5 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
6 reports regarding the administration of the Settlement Agreement as needed or requested, as
7 consistent with the terms of the Settlement Agreement.

8 54. Distribution Timing of Individual Settlement Payments. The Settlement
9 Administrator will distribute the funds in the Settlement Fund within the time period set forth
10 with respect to each category of payment. The Settlement Administrator will also issue a
11 payment to itself for Court-approved services performed in connection with the Settlement.

12 55. Class Counsel Award, Class Representative Enhancement, Individual
13 Settlement Payments and Labor and Workforce Development Agency Payment: No later than
14 five (5) business days after the Funding Date has been reached and the Plaintiff/Class
15 Representative and Class Counsel have provided W-9 forms, the Settlement Administrator will
16 issue payments to Class Counsel of the Class Counsel Award and Class Representative
17 Enhancement Payment amounts awarded by the Court, the LWDA Payment Amount, all tax
18 payments required as a result of the settlement, and payments of the Individual Settlement
19 Payment amounts to the Participating Settlement Class Members. The Settlement
20 Administrator will also issue a payment to itself for Court-approved services performed in
21 connection with the Settlement in the amount approved by the Court.

22 56. Un-cashed Settlement Checks. Each member of the Settlement Class who
23 receives an Individual Settlement Payment must cash that check within 120 calendar days from
24 the date the Settlement Administrator mails it. Any funds payable to Settlement Class
25 Members whose checks are not cashed within 120 calendar days after mailing will be
26 transferred by the Settlement Administrator to the Controller of the State of California,
27 Unclaimed Property Fund in the name of the Settlement Class Member. The failure to cash any
28 check within 120 days shall in no way affect the binding nature of the Settlement or the binding

1 nature of any release of claims.

2 57. Certification of Completion. Upon completion of administration of the
3 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
4 such completion to the Court and counsel for all Parties.

5 58. Treatment of Individual Settlement Payments. All Individual Settlement
6 Payments will be allocated as follows: (i) twenty percent (20%) to settlement of wage claims
7 and (ii) eighty percent (80%) to settlement of claims for interest and statutory penalties. The
8 portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to
9 interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator.
10 Participating Settlement Class Members shall be responsible for remitting to state and/or
11 federal taxing authorities any applicable other taxes due on their Individual Settlement
12 Payments.

13 59. Administration of Taxes by the Settlement Administrator. The Settlement
14 Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class
15 Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for
16 all amounts paid pursuant to this Settlement. The Settlement Administrator will also be
17 responsible for forwarding all payroll taxes and penalties to the appropriate government
18 authorities.

19 60. Tax Liability. Defendants make no representation as to the tax treatment or legal
20 effect of the payments called for hereunder, and Plaintiff and Participating Settlement Class
21 Members are not relying on any statement, representation, or calculation by Defendants or by
22 the Settlement Administrator in this regard.

23 61. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
24 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH
25 PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
26 "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF
27 THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
28 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER

1 ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH
2 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
3 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
4 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED);
5 (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,
6 HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
7 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS
8 NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION
9 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER
10 PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
11 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO
12 AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
13 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY
14 OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
15 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
16 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
17 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
18 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
19 TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

20 62. No Prior Assignments. The Parties and their counsel represent, covenant, and
21 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
22 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
23 demand, action, cause of action or right herein released and discharged.

24 63. Nullification of Settlement Agreement. In the event that: (i) the Court does not
25 finally approve the Settlement as provided herein; or (ii) the Settlement does not become final
26 for any other reason, then this Settlement Agreement, and any documents generated to bring it
27 into effect, will be null and void. Any order or dismissal entered by the Court in furtherance of
28 this Settlement Agreement will likewise be treated as void from the beginning.

1 64. Termination of Settlement Agreement. Plaintiff and Defendants will each have
2 the right to unilaterally terminate this Settlement Agreement by providing written notice of
3 their election to do so (“Termination Notice”) to all other Parties hereto within ten (10) business
4 days of any of the following occurrences; provided, however, that the Parties agree to cooperate
5 in good faith to address any issues the Court raises in connection with issuing Preliminary
6 and/or Final Approval of the Settlement:

7 64(a) the Court rejects, materially modifies, materially amends or changes,
8 or declines to issue a Preliminary Approval Order or a Final Approval
9 Order with respect to the Settlement Agreement and the Parties are not
10 permitted to remedy any deficiencies the Court identifies;

11 64(b) an appellate court reverses the Final Approval Order, and the
12 Settlement Agreement is not reinstated without material change by the
13 Court on remand; or

14 64(c) any court incorporates terms into, or deletes or strikes terms from, or
15 modifies, amends, or changes the Preliminary Approval Order, the
16 Final Approval Order, or the Settlement Agreement in a way that
17 Plaintiff or Defendants reasonably consider material, unless the
18 modification or amendment is accepted in writing by all Parties, except
19 that, any reduction of the amount awarded as the Class
20 Representative’s Enhancement payment and/or the Class Counsel
21 Award will not be grounds to terminate the Settlement Agreement.

22 65. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court
23 to request the Preliminary Approval of the Settlement Agreement, and the entry of a
24 Preliminary Approval Order for: (i) conditional certification of the Settlement Class for
25 settlement purposes only, (ii) preliminary approval of the proposed Settlement Agreement, (iii)
26 setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval
27 Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified
28 herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this

1 Settlement Agreement, which sets forth the terms of this Settlement, and will include the
2 proposed Notice Packet, which will include the proposed Notice of Class Action Settlement,
3 attached as **Exhibit B**. Class Counsel will be responsible for drafting all documents necessary
4 to obtain preliminary approval.

5 66. Final Settlement Approval Hearing Upon expiration of the deadlines to postmark
6 Requests for Exclusion or objections to the Settlement Agreement, and with the Court's
7 permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the
8 Final Approval of the Settlement Agreement along with the amounts properly payable for: (i)
9 Individual Settlement Payments; (ii) the Labor and Workforce Development Agency Payment;
10 (ii) the Class Representative Enhancement Payment; (iii) the Class Counsel Award; and (iv)
11 all Settlement Administration Costs. The Final Approval/Settlement Fairness Hearing will not
12 be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel will
13 be responsible for drafting all documents necessary to obtain final approval. Class Counsel
14 will also be responsible for drafting the Class Counsel Award application to be heard at the
15 Final Approval /Settlement Fairness Hearing.

16 67. Final Approval and Continued Jurisdiction. Upon final approval of the
17 Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties
18 will request dismissal of the case with prejudice. After dismissal, the Court will have
19 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
20 of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-
21 dismissal matters as may be appropriate under court rules or as set forth in this Settlement
22 Agreement.

23 68. Release by Plaintiff. Upon the Effective Date, in addition to the claims being
24 released by all Participating Settlement Class Members, Plaintiff will release and forever
25 discharge the Released Parties, to the fullest extent permitted by law, of and from any and all
26 claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against
27 the Released Parties, based on his employment with Defendants, as of the date of execution of
28 this Settlement Agreement. The releases include, but are not limited to, all disputes relating to

1 or arising out of any state, local, or federal statute, ordinance, regulation, order, or common
2 law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42
3 U.S.C. § 2000(e), *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. Sections 1981,
4 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of
5 1939, as amended, 29 U.S.C. § 201, *et seq.* and Code of Federal Regulations; the Orders of the
6 California Industrial Welfare Commission regulating wages, hours and working conditions;
7 the California Fair Employment & Housing Act, as amended, Cal. Govt. Code § 12900, *et seq.*;
8 the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the
9 California Unruh Civil Rights Act, as amended, Cal. Civ. Code § 51, *et seq.*; the California
10 Labor Code (including any claim for civil penalties under the California Labor Code Private
11 Attorneys General Act); the California Government Code; Article 1 of the California
12 Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 *et seq.*; the
13 Americans with Disabilities Act of 1990, 42 U.S.C. § 12100, *et seq.*; the Family and Medical
14 Leave Act of 1993, 29 U.S.C. § 2601, *et seq.* and any state law equivalent; the Employee
15 Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*; the National Labor
16 Relations Act, as amended, 29 U.S.C. § 151, *et seq.*; California Business and Professions Code
17 Section 17200, *et seq.*, other statutory and common law claims; statutory or common law rights
18 to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on
19 contract, quasi-contract, *quantum meruit*, implied contract, tort, wrongful or constructive
20 discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander,
21 immigration issues, infliction of emotional distress, negligence, assault, battery, conspiracy,
22 harassment, retaliation, discrimination on any basis prohibited by statute or public policy,
23 conversion, any interference with business opportunity or with contract or based upon any other
24 theory; and/or similar causes of action. As noted above, to the extent the foregoing release is a
25 release to which Section 1542 of the California Civil Code or similar provisions of other
26 applicable law may apply, Plaintiff expressly waives any and all rights and benefits conferred
27 upon him by the provisions of Section 1542 of the California Civil Code or similar provisions
28 of applicable law which are as follows:

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
2 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT
3 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
4 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
5 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
6 DEBTOR OR RELEASED PARTY.
7

8 Plaintiff represents that he has not suffered any form of race, sex, age, national original,
9 disability or other form of discrimination and understand that Defendants are relying on such
10 representation in connection with this settlement. Notwithstanding the provisions of Section
11 1542, and for the purpose of implementing a full and complete release and discharge of the
12 Parties Released by the Class Representative, Plaintiff expressly acknowledges that this
13 Settlement Agreement is intended to include in its effect, without limitation, all claims which
14 he does not know of or suspect to exist in her favor at the time of signing this Settlement
15 Agreement.

16 69. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
17 include the terms set forth in any attached Exhibits, which are incorporated by this reference as
18 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of
19 the Settlement.

20 70. Entire Agreement. This Settlement Agreement and any attached Exhibits
21 constitute the entirety of the Parties' settlement terms and supersede all prior written or oral
22 agreements between the Parties.

23 71. Amendment or Modification. No amendment, change, or modification to this
24 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their
25 counsel.

26 72. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
27 warrant and represent they are expressly authorized by the Parties whom they represent to
28 negotiate this Settlement Agreement and to take all appropriate action required or permitted to

1 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
2 execute any other documents required to effectuate the terms of this Settlement Agreement.
3 The Parties and their counsel will cooperate with each other and use their best efforts to effect
4 the implementation of the Settlement. If the Parties are unable to reach agreement on the form
5 or content of any document needed to implement the Settlement, or on any supplemental
6 provisions that may become necessary to effectuate the terms of this Settlement, the Parties
7 may seek the assistance of the Court to resolve such disagreement.

8 73. Binding on Successors and Assigns. This Settlement Agreement will be binding
9 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
10 defined.

11 74. California Law Governs. All terms of this Settlement Agreement and Exhibits
12 hereto will be governed by and interpreted according to the laws of the State of California.

13 75. Execution and Counterparts. This Settlement Agreement is subject to the
14 execution of all Parties. The Settlement Agreement may be executed in one or more
15 counterparts. All executed counterparts and each of them, including facsimile and scanned
16 copies of the signature page, will be deemed to be one and the same instrument.

17 76. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
18 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Actions
19 and have arrived at this Settlement after arm's-length negotiations and in the context of
20 adversarial litigation, taking into account all relevant factors, present and potential. The Parties
21 further acknowledge that they are each represented by competent counsel and that they have
22 had an opportunity to consult with their counsel regarding the fairness and reasonableness of
23 this Settlement.

24 77. Invalidity of Any Provision. Before declaring any provision of this Settlement
25 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
26 extent possible consistent with applicable precedents so as to define all provisions of this
27 Settlement Agreement valid and enforceable.

28 78. Waiver of Certain Appeals. With the exception of a right to appeal the reduction

1 of any award of attorneys' fees, costs, and expenses as provided herein, Plaintiff and
2 Defendants hereby waive their right to appeal or seek other judicial review of any order that is
3 materially consistent with the terms of this Settlement Agreement.

4 79. Class Certification for Settlement Purposes Only. The Parties stipulate to class
5 certification of any claims not yet certified for purposes of implementing the Settlement only,
6 and in no way is that an admission by Defendants that class certification is proper. The
7 Settlement will not be admissible in any proceeding as evidence that (i) a class or collective
8 should be certified as Plaintiff has proposed for any claims, including but not limited to any
9 currently non-certified claims; (ii) that the Action should proceed on a representative basis
10 pursuant to PAGA; or (iii) Defendants are liable to Plaintiff or any other individuals he claims
11 to represent in the Action in connection with any claims that were or could have been asserted
12 in the Action.

13 80. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
14 dispute that has arisen between them and to avoid the burden, expense and risk of continued
15 litigation. In entering into this Settlement, Defendants do not admit, and specifically deny, that
16 they violated any federal, state, or local law; violated any regulations or guidelines promulgated
17 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
18 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
19 engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
20 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it,
21 will be construed as an admission or concession by Defendants of any such violations or
22 failures to comply with any applicable law. Except as necessary in a proceeding to enforce the
23 terms of this Settlement, this Settlement Agreement and its terms and provisions will not be
24 offered or received as evidence in any action or proceeding to establish any liability or
25 admission on the part of Defendants or to establish the existence of any condition constituting
26 a violation of, or a non-compliance with, federal, state, local or other applicable law.

27 81. Waiver. No waiver of any condition or covenant contained in this Settlement
28 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be

1 considered to imply or constitute a further waiver by such party of the same or any other
2 condition, covenant, right or remedy.

3 82. Enforcement Actions. In the event that one or more of the Parties institutes any
4 legal action or other proceeding against any other Party or Parties to enforce the provisions of
5 this Settlement or to declare rights and/or obligations under this Settlement, the successful Party
6 or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'
7 fees and costs, including expert witness fees incurred in connection with any enforcement
8 actions.

9 83. Mutual Preparation. The Parties have had a full opportunity to negotiate the
10 terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement
11 will not be construed more strictly against one party than another merely by virtue of the fact
12 that it may have been prepared by counsel for one of the Parties, it being recognized that,
13 because of the arms-length negotiations between the Parties, all Parties have contributed to the
14 preparation of this Settlement Agreement.

15 84. Representation By Counsel. The Parties acknowledge that they have been
16 represented by counsel throughout all negotiations that preceded the execution of this
17 Settlement Agreement, and that this Settlement Agreement has been executed with the advice
18 of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens
19 on the Settlement Agreement.

20 85. All Terms Subject to Final Court Approval. All amounts and procedures
21 described in this Settlement Agreement herein will be subject to final Court approval.

22 86. Cooperation and Execution of Necessary Documents. All Parties will cooperate
23 in good faith and execute all documents to the extent reasonably necessary to effectuate the
24 terms of this Settlement Agreement.

25 87. Binding Agreement. The Parties warrant that they understand and have full
26 authority to enter into this Settlement Agreement, and further intend that this Settlement
27 Agreement will be fully enforceable and binding on all parties, with retention of jurisdiction by
28 the court as provided therein, and agree that it will be admissible and subject to disclosure in

1 any proceeding to enforce its terms.

2 88. Because the Participating Settlement Class Members are so numerous, it is
3 impossible or impractical to have each Participating Settlement Class Member execute this
4 Settlement. If approved by the Court, this Settlement shall have the same force and effect as if
5 this Settlement were executed by each Participating Settlement Class Member with regard to
6 claims released herein.

7
8 **READ CAREFULLY BEFORE SIGNING**

9 **PLAINTIFF ARTHUR THOMPSON**

10
11 Dated: Sep 1, 2021

12 
13 Arthur thompson (Sep 1, 2021 15:57 PDT)
14 _____
15 Plaintiff Arthur Thompson

16 **DEFENDANT NSC TECHNOLOGIES, LLC**

17 Dated: _____

18 _____
19 By Paul Rodriguez, CEO and Chairman, NSC
20 Technologies, LLC

21 **DEFENDANT BAE SYSTEMS SAN DIEGO
22 SHIP REPAIR INC.**

23 Dated: _____

24 _____
25 By Marcie Cornfield, Senior Counsel, BAE
26 Systems Platforms & Services

1 any proceeding to enforce its terms.

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3 impossible or impractical to have each Participating Settlement Class Member execute this
4 Settlement. If approved by the Court, this Settlement shall have the same force and effect as if
5 this Settlement were executed by each Participating Settlement Class Member with regard to
6 claims released herein.

7
8 **READ CAREFULLY BEFORE SIGNING**

9 **PLAINTIFF ARTHUR THOMPSON**

10
11 Dated: _____

12 Plaintiff Arthur Thompson

13
14 **DEFENDANT NSC TECHNOLOGIES, LLC**

15
16 Dated: September 2, 2021

Paul Rodriguez

17 By Paul Rodriguez, CEO and Chairman, NSC
18 Technologies, LLC

19 **DEFENDANT BAE SYSTEMS SAN DIEGO
20 SHIP REPAIR INC.**

21 Dated: September 1, 2021

Marcie Cornfield

22 By Marcie Cornfield, Senior Counsel, BAE
23 Systems Platforms & Services

1
2
3 **APPROVED AS TO FORM**

4 **MATERN LAW GROUP, PC**

5 Dated: September 2, 2021

6 By: 
7 _____

8 Mathew J. Matern
9 Scott A. Brooks
10 Attorneys for Plaintiff Arthur Thompson

11 **DLA PIPER LLP (US)**

12 Dated: _____

13 By: _____

14 Mary Dollarhide
15 Taylor Wemmer
16 Attorneys for Defendants
17 NSC Technologies, LLC and
18 BAE Systems San Diego Ship Repair Inc.

1
2
3 **APPROVED AS TO FORM**

4 **MATERN LAW GROUP, PC**

5 Dated: _____

6 By: _____

7 Mathew J. Matern
8 Scott A. Brooks
9 Attorneys for Plaintiff Arthur Thompson

10 **DLA PIPER LLP (US)**

11 Dated: September 2, 2021

12 By: 

13 Mary Dollarhide
14 Taylor Wemmer
15 Attorneys for Defendants
16 NSC Technologies, LLC and
17 BAE Systems San Diego Ship Repair Inc.

Term Sheet

Exhibit A to Stipulation of Class Action Settlement and Release

Arthur Thompson v. NSC Technologies, LLC, et al.,

3:20-cv-00371-JLS (MSB)

TERM SHEET

1. **Case.** *Arthur Thompson v. NSC Technologies LLC and BAE Systems San Diego Ship Repair Inc.*
2. **Complaint to be Amended:** Plaintiff will amend the Complaint to add Fair Labor Standards Act (“FLSA”) claims that parallel the California Labor Code claims already made.
3. **Settlement Class.** The Settlement Class consists of all individuals employed by NSC Technologies, Inc. (“NSC”) and placed to work at the BAE Systems San Diego Ship Repair Inc. facility at 2205 E. Belt Street in San Diego, California (“BAE SDR”), as hourly non-exempt employees between January 10, 2016, and the earlier of the date of Preliminary Approval or 60 days after the date on which this Term Sheet is signed by the last party to sign it.
4. **Qualified Stipulation to Class Certification.** The parties will stipulate to class certification for purposes of settlement only.
5. **Class Members.** Class Members are members of the Settlement Class who do not opt out of the settlement and did not release the claims referenced in paragraph 13 by the date of the mediation.
6. **Gross Settlement Amount.** The Gross Settlement Amount is \$2,750,000.00. The Gross Settlement Amount shall be used to satisfy all of Defendants’ liabilities arising from the settlement, interest, Plaintiffs’ attorneys’ fees and costs, Plaintiff’s incentive award, the amount paid to the LWDA for the PAGA claims, and payments to all Class Members.
7. **Net Settlement Amount.** The following amounts, if approved by the Court, will be subtracted from the Gross Settlement Amount to derive the Net Settlement Amount:
 - a. **Attorneys’ Fees:** up to \$916,666.67 (1/3 of the Gross Settlement Amount),
 - b. **Attorneys’ Costs:** actual costs,
 - c. **Incentive Award:** up to \$15,000.00,
 - d. **Settlement administration:** actual costs, and
 - e. **Amount paid to LWDA:** \$75,000.00 (75% of the \$100,000.00 allocated to settlement of the PAGA claims).
8. **Distribution of Net Settlement Amount.** The entire Net Settlement Amount will be distributed to Class Members on a pro rata workweek basis.
9. **Uncashed Checks.** The dollar value of all checks that remain uncashed for more than 180 days will be delivered to an organization jointly selected by the parties consistent with section 384 of the California Code of Civil Procedure.
10. **Tax Allocation.** Individual payments to Plaintiff and Class Members will be allocated as follows: 20% to wages and 80% to penalties and interest.

11. **Tolerance of Opt-Outs.** Notwithstanding any other provision of this Term Sheet, Defendant retains the right in the exercise of its sole discretion, to nullify the settlement within thirty (30) days after the expiration of the opt-out period if five percent (5%) or more of the members of the Settlement Class opt out of the settlement. The named Plaintiff will not opt-out of nor object to the settlement, nor refuse to execute a general release of claims as referenced in paragraph 13.

12. **Effect of Increase in Workweeks.** This settlement is based on data provided by Defendant, which shows that, for the period of January 10, 2016, through May 5, 2021, members of the Settlement Class worked approximately 64,738 workweeks. If it is determined that the workweeks through the earlier of Preliminary Approval or 60 days after the date on which this Term Sheet is signed by the last party to sign it exceeds 71,212 (64,738, plus 6,474 (10% of 64,738)), the Gross Settlement Amount will be increased by the same number of percentage points above 10% by which the actual number of workweeks exceeds 64,738. For instance, if the actual number of workweeks is determined to be 12% higher than 64,738, the Gross Settlement Amount will be increased by 2%. Notwithstanding the foregoing, Defendant may elect to end the class period when the number of workweeks reaches 71,212, rather than pay the additional amounts otherwise required by this paragraph.

13. **Release of Claims.** The long-form settlement agreement shall include, as to the Class Members, a release of any and all claims that are or could have been alleged by Class Members against NSC and/or BAE SDSR in the Complaint, and any amendment(s) thereto, or in the Notice of Labor Code Violations sent to the LWDA, based on the factual allegations contained therein for the Covered Period (January 10, 2016, through the earlier of the date of Preliminary Approval or 60 days after the date on which this Term Sheet is signed by the last party to sign it). Workweeks when individuals did not qualify as Class Members are excluded from this release. Thus, workweeks worked by individuals and Class Members when employed directly for BAE SDSR and/or when assigned to work at BAE SDSR by an entity other than NSC during the Covered Period will not be released. The named Plaintiff shall make a full and complete release of all claims, including a waiver of any and all provisions of California Civil Code § 1542. There will be no section 1542 waiver for Class Members other than the named Plaintiff.

14. **Withdrawal of records requests:** Plaintiff's counsel will immediately withdraw the pending records requests made pursuant to California Labor Code sections 226 and 1198.5.

15. **No Admissions.** Defendant's signature on this Term Sheet is not, and shall not be construed as, an admission of liability and the signed Term Sheet shall be inadmissible in any proceeding other than as necessary to enforce it.

16. **Long-form Settlement Agreement to be Prepared.** The parties will cooperate to prepare a long-form settlement agreement containing the terms of this Term Sheet and such other terms as they mutually agree to include. Plaintiff will prepare the first draft of the long-form settlement agreement and deliver it to counsel for Defendant within two weeks (14 calendar days) after the date on which this Term Sheet is signed by

the last party to sign it, and will prepare the Motion for Preliminary Approval and deliver it to counsel for Defendant for review within two weeks (14 calendar days) after the long form settlement agreement is signed by the last party to sign it.

17. **Counterparts.** This Stipulation of Settlement may be signed in counterparts. It is not necessary for all parties to sign the same document. However, it is void and unenforceable if it is not signed by all parties.

18. **Enforcement.** Any provisions of California Evidence Code §§ 1115-1128, or any comparable federal law or principle notwithstanding, this Term Sheet is binding and enforceable as a contract and, if the parties fail to prepare and/or execute a long-form settlement agreement, this Term Sheet will be admissible in evidence for purposes of enforcement.

Dated: 06/7, 2021

By: 
Arthur thompson (Jun 7, 2021 12:40 PDT)
Arthur Thompson

Dated: _____, 2021

By: _____
NSC Technologies LLC

Dated: _____, 2021

By: _____
BAE Systems San Diego Ship
Repair Inc.

the last party to sign it, and will prepare the Motion for Preliminary Approval and deliver it to counsel for Defendant for review within two weeks (14 calendar days) after the long form settlement agreement is signed by the last party to sign it.

17. **Counterparts.** This Stipulation of Settlement may be signed in counterparts. It is not necessary for all parties to sign the same document. However, it is void and unenforceable if it is not signed by all parties.

18. **Enforcement.** Any provisions of California Evidence Code §§ 1115-1128, or any comparable federal law or principle notwithstanding, this Term Sheet is binding and enforceable as a contract and, if the parties fail to prepare and/or execute a long-form settlement agreement, this Term Sheet will be admissible in evidence for purposes of enforcement.


Dated: _____, 2021

By: _____
Arthur Thompson

Dated: June 8, 2021

By: 
NSC Technologies LLC

Dated: June 8, 2021

By: 
BAE Systems San Diego Ship
Repair Inc.

Notice of Class Action Settlement
Exhibit B to Stipulation of Class Action Settlement and Release

Arthur Thompson v. NSC Technologies, LLC, et al.,

3:20-cv-00371-JLS (MSB)

- Legal Notice -

- This is not a solicitation from a lawyer -

To: All current and former non-exempt employees of NSC Technologies, LLC who were placed to work at the BAE Systems San Diego Ship Repair Inc. facility at 2205 E. Belt Street in San Diego, California between January 10, 2016, and August 8, 2021 (“Settlement Class” or “Settlement Class Members”).

If you are a Settlement Class Member, you could get a money payment from a proposed class and representative action settlement. This Notice is to tell you about a hearing regarding the proposed settlement and to explain your options in this case. You are entitled to participate in this settlement and NSC Technologies, LLC (“NSC”) and BAE Systems San Diego Ship Repair Inc. (“BAE SDSR”) will not retaliate or take any adverse action against you whether or not you do nothing, object to the settlement, hire your own attorney, or exclude yourself from the settlement.

Your legal rights are affected whether you act or don’t act. Please read this notice carefully.

Your Legal Rights and Options in This Settlement

1	Do nothing	You will receive a settlement payment as described below and you will release your claims against NSC and BAE SDSR regarding the challenged practices.	See page 4
2	Object	You may write to the Court to say why you do not agree with the proposed settlement. You will still be part of this lawsuit.	See pages 4-5
3	Do nothing but get your own lawyer	You will still be part of this lawsuit, but you can hire your own lawyer to represent you. You must then pay your own lawyer’s fees and costs.	See page 5
4	Opt out	You will not be eligible for payment from the settlement.	See page 5

Please do not call or write the Court, NSC, or BAE SDSR with questions about this lawsuit.

If you have more questions after reading this Notice, see page 6.

What This Case is About

This case is called *Thompson, et al. v. NSC Technologies, Inc. Group, Inc., et al.* (United States District Court, Southern District of California, case no. 3:20-cv-00371-JLS(MSBx)). This case is brought on behalf of all current and former non-exempt employees who worked for NSC. and were placed to work at the BAE SDSR between January 10, 2016, and August 8, 2021. These individuals are referred to as “Settlement Class Members.”

Plaintiff Arthur Thompson (“Plaintiff”) alleges that NSC and BAE SDSR failed to: provide required meal and rest periods, pay all overtime and minimum wages, pay all wages due to discharged and quitting employees, maintain required records, furnish accurate itemized wage statements, and indemnify employees for necessary expenditures incurred in the discharge of duties. Plaintiff also contends that NSC and BAE SDSR engaged in unfair and unlawful business practices and that Settlement Class Members are entitled to penalties under the Labor Code Private Attorneys General Act (“PAGA”). NSC and BAE SDSR deny all liability for these claims and contend that their employment practices have complied with applicable state and federal laws at all times. NSC and BAE SDSR have asserted a number of factual and legal defenses to Plaintiff’s claims. Nonetheless, without admitting any liability and in the interest of resolving this dispute, Plaintiff, NSC and BAE SDSR have agreed to the settlement described below.

The Court has made no ruling on the merits of Plaintiff's claims or NSC and BAE SDR's defenses. However, the Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for [MONTH DAY, YEAR], at [TIME] in Courtroom 4D of the United States District Court for the Southern District of California, located at 221 West Broadway, San Diego, California 92101.

Benefits of the Settlement – What You May Get

Under the terms of the settlement, NSC Technologies, Inc. has agreed to fund a settlement amount in the amount of \$2,750,000.00.

If you do not timely request to opt-out, you will be issued a share of the settlement amount remaining after costs and fees are deducted ("Individual Settlement Payment"). The amount allocated to each Settlement Class Member will be distributed on an individual basis as a fraction of the settlement distribution:

$$\frac{\text{"Qualifying Workweeks" Settlement Class Member Was Employed by NSC. and Was Placed to Work at the BAE SDR}}{\text{Total "Qualifying Workweeks" That all Settlement Class Members Were Employed by NSC and Were Placed to Work at the BAE SDR}}$$

"Qualifying Workweeks" means the number of weeks a Settlement Class Member was employed by and worked for NSC and was placed to work at the BAE SDR, between January 10, 2016, and August 8, 2021 (the "Class Period"). Each Qualifying Workweek runs from Sunday to Saturday. Workweeks worked by individuals and Settlement Class Members when they were employed directly for BAE SDR. and/or when assigned to work at BAE SDR by an entity other than NSC during the Class Period are not included in the Released Claims.

Twenty percent (20%) of each Individual Settlement Payment shall be allocated as wages and eighty percent (80%) as statutory penalties and interest. All employer's and employee's share of withholdings and taxes associated with the wage portion of the Individual Settlement Payment will be deducted.

According to NSC's records, you were employed by NSC as a non-exempt employee in California and were placed to work at BAE SDR during the Class Period, and you have a total of [Number] Qualifying Workweeks as a Settlement Class Member. Based on this number, your estimated Individual Settlement Payment (before tax and other payroll withholdings and deductions) is \$[]. This amount is subject to change based on the final ruling of the Court.

Please be advised that the information listed above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the information listed above, please submit an explanation and supporting documents showing the correct information to the Settlement Administrator, postmarked no later than [30 days after mailing of Notice] at the following address:

NSC Technologies, LLC Settlement Administrator
c/o []
XXX XXXXXX
XXXXX, CA 9XXXX
Toll Free 1(888) xxx-xxxx
Email:

In the event of a dispute regarding what information is correct, Defendants' records will be presumed correct, but the Settlement Administrator will evaluate the evidence submitted by the Settlement Class Member and will make the final decision as to the merits of the dispute. All disputes will be decided within ten (10) business days of the [Response Deadline].

In order to ensure receipt of your payment, it is your responsibility to make sure you keep the Settlement Administrator informed of your current mailing address, and you may do so by contacting the Settlement Administrator by mail at the address listed above or by calling its phone number listed in this Notice.

Release

At the end of the case, if the Court grants final approval of the settlement, all Settlement Class Members who do not opt-out of the settlement will give up all rights to sue NSC and BAE SDSR for the claims covered by the release set forth below. If you have questions concerning the release, you may contact attorneys for the Settlement Class.

Upon entry of the final approval order and judgment, each Settlement Class Member, on behalf of himself/herself and his/her heirs and assigns, who has not submitted a valid request for exclusion, will release NSC and BAE SDSR including their former and present parents, subsidiaries, holding companies, investors, sister and affiliated companies, divisions, and other related entities, as well as its and their successors, predecessors, shareholders, officers, directors, partners, assigns, agents, employees, principals, heirs, administrators, attorneys, vendors, accountants, auditors, consultants, fiduciaries, insurers, reinsurers, employee benefit plans, and representatives, both individually and in their official capacities, past or present, as well as all persons acting by, through, under or in concert with any of these persons or entities (collectively the “Released Parties”) from the following rights or claims (the “Released Claims”):

All claims, judgments, liens, losses, debts, liabilities, demands, obligations, guarantees, penalties (including but not limited to Private Attorneys General Act of 2004 (“PAGA”) penalties, waiting time penalties and all other penalties available under the California Labor Code), costs, expenses, attorneys’ fees, damages, indemnities, actions, causes of action, and obligations of every kind and nature in law, equity or otherwise, known or unknown, suspected or unsuspected, disclosed or undisclosed, contingent or accrued, that are or could have been alleged by Settlement Class Members against NSC and/or BAE SDSR in the operative complaint in the Action, and any amendment(s) thereto, or in the Notice of Labor Code Violations sent to the LWDA, based on the factual allegations contained therein for the Class Period (January 10, 2016, through August 8, 2021, including: (a) all claims for failure to pay overtime wages in violation of the Fair Labor Standards Act (29 U.S.C. Section 201, et seq.); (b) all claims for failure to pay minimum wages in violation of the Fair Labor Standards Act (29 U.S.C. Section 201, et seq.); (c) all claims for unpaid overtime (Labor Code §§ 510, 1194, 1198, and IWC Wage Order 4, and IWC Wage Order 5-2001, § 3); (d) all claims for meal and rest period violations (Labor Code §§ 226.7, 510, 512, 1194, 1197, IWC Wage Order No. 1-2001, §§ 11, 12); (e) all claims for unpaid minimum wages (Labor Code §§ 1194, 1197, 1197.1, IWC Wage Order No. 1-2001, § 4); (f) all claims for the failure to timely pay wages upon termination, failure to pay waiting time violations, and failure to pay all wages due to discharged and quitting employees (Labor Code §§ 201, 202 and 203); (g) all claims for the failure to timely pay wages during employment (Labor Code § 204); (h) all claims for wage statement violations (Labor Code §§ 226, 1174, IWC Wage Order No. 1-2001, § 7); (i) all claims for the failure to maintain records (Labor Code §§ 226, 1174, and IWC Wage Order No. 1-2001, § 7); (j) all claims for failure to indemnify employees for necessary expenditures incurred in discharge of duties (Labor Code § 2802); (k) all claims asserted through California Labor Code sections 2698 et seq. (PAGA) arising out of the aforementioned claims; (l) all claims asserted through California Business & Professions Code § 17200 et seq. arising out of the aforementioned claims; and (m) all claims asserted through the Fair Labor Standards Act arising out of the aforementioned claims.

The Released Claims shall include all the above claims for the period beginning January 10, 2016 through August 8, 2021.

Notice of Hearing in this Case

The Court has allowed Plaintiff Arthur Thompson to represent the Settlement Class Members and has given preliminary approval to a proposed settlement. A final hearing to consider the fairness of the proposed settlement is scheduled for [DATE], at [TIME] at the following location:

United States District Court for the Southern District of California
Courtroom 4D
221 West Broadway
San Diego, California 92101

You are not required to attend the final hearing. The hearing may be continued or adjourned without further notice to the Settlement Class Members.

Attorneys' Fees and Costs, Administration Costs, Class Representatives' Enhancement Payments, and PAGA Payment

Under the terms of the settlement, Plaintiff's attorneys, Matern Law Group, will submit a request to the Court for up to \$916,666.67 in attorneys' fees and reasonable costs spent in pursuit of this lawsuit.

The Settlement Administrator, _____, will seek a payment of up to \$_____.00 to cover all costs and fees to administer the settlement. Plaintiff will request a Class Representative Enhancement payment of \$15,000.00 for his time and effort in assisting in the litigation and settlement and for releasing all of his individual claims against NSC and BAE SDSR.

\$100,000.00 of the settlement amount shall be designated for satisfaction of Plaintiff and Settlement Class Members' claims pursuant to PAGA. Pursuant to PAGA, 75 percent, or \$75,000.00, of this amount shall be paid to the LWDA, and 25 percent, or \$25,000.00 shall be distributed to eligible Settlement Class Members based on Qualifying Workweeks.

All amounts requested for fees, costs, enhancements, payments and releases are subject to Court approval at the final approval hearing.

More Information About Your Options and Legal Rights

1 Do Nothing.

If you do nothing, you will be deemed part of the Settlement Class and you will be issued a money payment from the proposed settlement. If you do nothing, you will also stay in this lawsuit. This means that you accept the Court's decisions in this case relating to the Settlement Class, and that you cannot bring a separate lawsuit against NSC and BAE SDSR for these claims, even if you do not cash, deposit, or otherwise negotiate your settlement check. You do not have to pay for the lawyers who have represented you in this case so far.

2 Object.

If you are a Settlement Class Member who does not opt out of the settlement, you may write to the Court to say why you do not agree with the proposed settlement.

Your objection must include:

- The name of this case (*Thompson, et al. v. NSC Technologies, Inc., et al.*, United States District Court, Southern District of California, Case No. 3:20-cv-00371-JLS(MSBx));
- Your name;
- Your current address;
- Your telephone number;
- A written statement of the basis of the objection, including the reasons why you believe that the Court should find that the proposed settlement is not in the best interests of the Settlement Class and the reasons why the settlement should not be approved;
- Copies of any papers, briefs, or other documents upon which the objection is based; and
- A statement whether you intend to appear at the Final Fairness Hearing; and
- Your signature or signature of your counsel, if any.

Your objection must be filed with the Court by [DATE]. You may submit your objection by mailing it to the Court at:

Clerk, United States District Court for the Southern District of California
Courtroom 4D
221 West Broadway
San Diego, California 92101

You also must mail a copy of your objection to all of the attorneys listed below by [DATE]:

Attorneys for the Settlement Class (“Class Counsel”):

MATERN LAW GROUP

Matthew J. Matern
Scott A. Brooks
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, CA 90266

Attorneys for Defendants (“Defendants’ Counsel”):

DLA PIPER LLP (US)

Mary Dollarhide
Taylor Wemmer
4365 Executive Drive, Suite 1100
San Diego, CA 92121

If you object, you remain a member of the Settlement Class and remain eligible to receive a settlement payment if final approval is granted. A Settlement Class Member who does not mail a written objection in the manner and by the deadline specified above will be deemed to have waived any objection and will not be entitled to make any objections to the settlement (whether by appeal or otherwise). A Settlement Class Member who files and serves a timely notice of objection will have a right to appear at the final approval hearing to have his or her objections heard by the Court.

3 Do nothing but get your own lawyer.

If you want to participate in the proposed settlement and stay in the class action but prefer to have your own attorney, you are free to do so. But, you will have to pay your lawyer’s fees and costs.

4 Opt out.

If you do not want to remain a member of the Class, you can request exclusion from the Settlement Class (*i.e.*, opt out). You can opt out of the Settlement Class by mailing a written and signed request for exclusion to the Settlement Administrator. It must be sent by postmarked mail no later than [DATE]. This request for exclusion must contain the following information: (a) your printed full name (and any other names used while employed by NSC Technologies, Inc.), (b) your full address and telephone number, and (c) a clear statement that you do not wish to be included in the settlement. This request must be **signed** by you.

If you opt out of the settlement, you will no longer be a member of the Settlement Class, you will be barred from participating in this settlement, and you will receive no money or benefit from this settlement. By opting out of the Settlement Class, you will retain whatever rights or claims you may have, if any, against NSC and BAE SDSR and you will be free to pursue such claims on an individual basis, if you choose to do so.

Your request for exclusion should be emailed or mailed to:

NSC Technologies, LLC Settlement Administrator

1234 Main Street
Anytown, CA 90000
Toll Free 1(888) 123-4567

To Learn More About This Case

This notice is only a summary. For more information about this case and to review key documents pertaining to the proposed settlement, you may:

Contact the Settlement Administrator:
NSC Technologies, Inc. Settlement Administrator

1234 Main Street
Anytown, CA 90000

Toll Free 1(888) 123-4567
Email: Settlement@Simpluris.com

- OR -

Contact Class Counsel:

MATERN LAW GROUP

Matthew J. Matern

Scott A. Brooks

mmatern@maternlawgroup.com

sbrooks@maternlawgroup.com

1230 Rosecrans Avenue, Suite 200

Manhattan Beach, CA 90266

You also may inspect the court files in person at the Clerk's Office, located at Edward J. Schwartz United States Courthouse, 221 West Broadway, San Diego, California 92101, between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday, with the exception of federal holidays.

PLEASE DO NOT CALL OR WRITE THE COURT WITH QUESTIONS ABOUT THIS SETTLEMENT OR THE ADMINISTRATION PROCESS.

**BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF CALIFORNIA**