

**ATTENTION: THIS IS A NEW COURT-ORDERED NOTICE WITH NEW INFORMATION!**

Two other notices have been sent in this case, but this one is different and contains details of a proposed settlement of the lawsuit.

**PLEASE READ IT CAREFULLY. YOUR RIGHTS DEPEND ON IT.**

**ALAMEDA COUNTY SUPERIOR COURT FOR THE STATE OF CALIFORNIA**

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND FINAL APPROVAL HEARING**

***Roberto Rodriquez et al. v. Pacific Steel Casting Company (case # RG11-609595)***

***YOU MAY RECEIVE MONEY FROM THIS SETTLEMENT***

- You have been identified as a class member in this lawsuit.
- The proposed settlement affects your legal rights related to your employment with Pacific Steel Casting Company, your right to obtain a share of the proposed class action settlement and your right to object to the settlement.
- Pacific Steel has agreed to pay a total of \$5,400,000.00 to settle this lawsuit. This settlement was discounted due to the strained financial condition of defendant Pacific Steel Casting, and the settlement may be further discounted in a possible bankruptcy or re-organization.

**YOU HAVE THREE OPTIONS TO CHOOSE FROM NOW:**

<b><u>OPTION 1</u></b>	<b><u>Do nothing:</u></b> If you do nothing, you will receive a proportionate share of the Settlement based on the number of weeks you worked for Pacific Steel during the Claim Period. See enclosed <u>Settlement Estimate and Challenge Form</u> . If you move, or if your address is different from the address on the envelope containing this Notice, <b>report your <i>new</i> address to the Claims Administrator, Gilardi &amp; Co.</b>
<b><u>OPTION 2</u></b>	<b><u>Challenge:</u></b> Your settlement share is based on your <b><u>number of workweeks</u></b> reported by Pacific Steel during the Claim Period on the <u>Settlement Estimate and Challenge Form</u> . If you believe this report is incorrect, <b>you may challenge the number of workweeks reported</b> for you by completing and mailing the Challenge Form to the Claims Administrator no later than <b><u>Monday April 28, 2014</u></b> . See Paragraph 15 below for details.
<b><u>OPTION 3</u></b>	<b><u>Object:</u></b> If you object to the terms of the Settlement, you may mail a written objection <b>postmarked no later than <u>Monday April 28, 2014</u></b> . See Paragraph 16 below for details on how to file an objection.

**CONSISTENT WITH PACIFIC STEEL'S POLICIES AND THE LAW, THERE WILL BE NO RETALIATION OR ADVERSE ACTION TAKEN AGAINST ANY CLASS MEMBER WHO RECEIVES A PORTION OF THE SETTLEMENT**

**WHAT IS THIS NOTICE ABOUT?**

1. A proposed settlement (the "Settlement") has been reached between Representative Plaintiff Roberto Rodriguez on behalf of the Certified Class ("Plaintiffs") and Defendant Pacific Steel Casting Company, and all of its direct and indirect parent and subsidiary entities (collectively herein called "Pacific Steel") resolving all of the claims in the Class Action in the Court brought on behalf of the Class Members.
2. The Court has preliminarily approved the Settlement. You have received this notice because Pacific Steel's records indicate that you are a Class Member. This notice is designed to inform you of your legal rights.

**WHAT IS THIS LAWSUIT ABOUT?**

3. In the action Plaintiffs allege that Pacific Steel violated labor laws protecting workers' rights to timely meal periods, to a suitable place to secure, heat and eat meals, to wages for all hours worked, to accurate wage statements, to timely pay for all wages due upon separation, and related claims.
4. Plaintiffs and Pacific Steel have agreed to settle all of the claims in the Action, subject to the Court's approval.

5. The Settlement represents a compromise and settlement of disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Pacific Steel that Plaintiffs' claims in the Action have merit or that it has any liability to Plaintiffs or any Class Member on those claims.
6. The parties and their counsel have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. The parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class.

### **SUMMARY OF THE SETTLEMENT**

#### **WHAT ARE THE TERMS OF THE SETTLEMENT?**

7. If the proposed Settlement is approved by the Court, Pacific Steel will make a Settlement Payment of \$5,400,000 inclusive of all damages, payments to pension or retirement plans, premium payments, wages, penalties, interest, attorneys' fees, costs, administration, and payroll taxes on all claims arising from the facts alleged in the Complaint. In the event Pacific Steel becomes subject to a Chapter 7 bankruptcy proceeding, or a Chapter 11 bankruptcy filing is converted to a Chapter 7, the Settlement Amount will increase to \$25,000,000. It is possible that the settlement amount could be reduced by the bankruptcy court in the event of Pacific Steel's bankruptcy.
8. If the full \$5,400,000 Settlement Payment is approved by the Court, the Class Representative will seek an incentive payment not to exceed \$25,000. Additionally, Class Counsel will seek attorneys' fees up to a maximum of \$1,925,000 which is approximately one-third of the total settlement with costs of \$125,000. The Settlement Administrator will seek fees and expenses capped at \$26,918 for administration costs. The remaining amount will be the "Net Settlement Amount." If fees and costs are awarded as sought, the "Net Settlement Amount" will be \$3,423,082 provided the bankruptcy court makes no changes to the settlement.
9. **Plaintiff and Class Counsel Support of the Settlement.** Plaintiff Class Representative, Roberto Rodriguez and Class Counsel, Timothy Rumberger both support the Settlement. There are risks involved with litigation. Plaintiffs could lose at trial. Trials are very expensive and either party could appeal the decision if they lost, creating the likelihood of long delays before any recovery of claims could be made. Most importantly, Pacific Steel's financial condition makes the recovery of the full value of the claims highly unlikely. Pacific Steel is contemplating a reorganization in the Bankruptcy Court. It would be very risky, and would not be in the best interest of class members to risk forcing Pacific Steel into a full liquidation bankruptcy that would require them to close and sell all their assets in order to pay these claims following a trial.

#### **WHAT WILL I RECEIVE FROM THE SETTLEMENT?**

10. The settlement awards will be proportional and based on the number of weeks worked by each class member during the claim period (December 23, 2007 to September 13, 2012). This means that workers who worked more weeks during the claim period will receive a larger share of the Net Settlement Amount than workers who worked fewer weeks. The number of weeks worked will be based on the time sheets on record at Pacific Steel. Half of the settlement award will be considered "wages" and will be subject to income and payroll taxes. This income will be reported on a W-2. The other half will be considered "penalties and interest" and will not be subject to tax withholding. Prior to distribution, the Settlement Administrator will deduct from the individual settlement amounts all payroll taxes owed on the wage portion of the Settlement. Your proposed individual settlement amount is shown on the enclosed Settlement Estimate and Challenge Form. The amount shown on the form is the amount prior to tax withholding.

#### **WHEN WOULD I GET MY PAYMENT?**

11. If the Court approves the settlement at the Final Approval Hearing, tentatively scheduled for **Thursday June 12, 2014** at 3:45 p.m. in Department 24, and if there is no additional delay caused by any bankruptcy proceeding, the Individual Settlement Amounts and other amounts will be paid within two weeks of that Final Approval. However, the amount of the award and the date of payment may be delayed by additional possible proceedings in the Bankruptcy Court.

**WHAT AM I GIVING UP IN EXCHANGE FOR THE SETTLEMENT PAYMENT?**

12. **Class Member Release.** When you settle your claims in this lawsuit, you are agreeing to accept the Settlement Payment as full payment for your claims of violation of your employment rights as alleged in the lawsuit. Upon final approval of the Settlement by the Court, and except as to only such rights or claims as may be created by this Settlement or the FLSA, Class Members fully release and discharge Pacific Steel Casting Company from liability for these claims and any claims that could be alleged arising from the facts pled in the Complaint.

**WHAT ARE MY RIGHTS AS A CLASS MEMBER?**

13. **Participating in the Settlement.** Class Representative and Class Counsel represent your interests as a Class Member. You will be bound by the terms of the Settlement and any final judgment that may be entered by the Court, and you will be deemed to have released the claims against Pacific Steel.

14. **You do not need to take further action to be included in the settlement. Review the attached SETTLEMENT ESTIMATE AND CHALLENGE FORM to see the details of your estimated individual settlement recovery.**

15. **Challenging the Period of Employment.** If you challenge the number of work weeks where you worked at least one shift for the period between December 23, 2007 to September 13, 2012, as reported by Pacific Steel and as shown on the attached **SETTLEMENT ESTIMATE AND CHALLENGE FORM**, you must submit the **CHALLENGE FORM** postmarked no later than **Monday April 28, 2014**. On your CHALLENGE FORM, state what you believe is the correct information and include any documentation you have to support your contention that the work weeks listed are inaccurate. The Settlement Administrator, in consultation with counsel, will resolve the dispute based on Pacific Steel’s records and any information you provide.

16. **Objecting to the Settlement.** Objections must be postmarked by **Monday April 28, 2014**. You may object to the terms of the Settlement before final approval by filing a written objection or by appearing and objecting in person at the final approval hearing. If the Court nonetheless approves the Settlement, you will still be bound by the terms of the Settlement. Any written objection or appearance at the hearing must state: 1) each specific reason you object to the settlement, 2) any justification for your objection, and 3) your full name, address, date of birth, and the dates of your employment at Pacific Steel. The Court and Counsel and Administrator must receive any written objections or notices of intent to appear and object post-marked no later than **Monday April 28<sup>th</sup>, 2014**. The addresses of the court, counsel and administrator are shown here:

THE COURT	SETTLEMENT ADMINISTRATOR	CLASS COUNSEL	PACIFIC STEEL’S COUNSEL
Clerk of Court Alameda County Superior Court 1225 Fallon Street Oakland, CA 94612	Gilardi & Co. LLC P.O. Box 8060 San Rafael CA 94912-8060 (877) 291-5843	Law Offices of Timothy P. Rumberger, Esq. 2161 Shattuck Avenue, Ste 233 Berkeley, CA 94704 Telephone: (510) 841-5500 en Español: (510) 527-5107 Facsimile: (510) 521-9700	Michael Brewer, Esq. Anne-Marie Waggoner, Esq. Littler Mendelson, P.C. 1255 Treat Blvd., Suite 600 Walnut Creek, CA 94597

**DO NOT TELEPHONE THE COURT, PACIFIC STEEL, OR PACIFIC STEEL’S COUNSEL.**

17. While you may wish to object to the settlement, you may not exclude yourself from the settlement because you did not previously opt-out of the case in response to the prior Notices of this Class Action issued in 2013.

**FINAL SETTLEMENT APPROVAL HEARING**

18. The Court will hold a final approval hearing on **Thursday June 12, 2014**, at 3:45 p.m., in Department 24, Alameda County Superior Court, 1225 Oak Street, Oakland, CA 94612, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the requests for the Class Representative Payments and Class Counsel’s Attorneys’ Fees and Expenses Payments.

19. The hearing may be postponed without further notice to the Class. It is not necessary for you to appear at this hearing, however, you may appear at the hearing if you wish.

### **GETTING MORE INFORMATION**

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement and papers submitted for Preliminary Approval. For the precise terms and conditions of the Settlement, you are referred to the full Settlement Agreement which is posted at the following website: [www.pacificsteelclassaction.com](http://www.pacificsteelclassaction.com).

If you wish to review the Court's docket in this case, you may do so by visiting the Alameda County Superior Court Domain Web, the Court's public access website. To do this, direct your browser to <http://apps.alameda.courts.ca.gov/domainweb/html/index.html> and click on the "Case Summary" hyperlink at the top. Where it says "enter the case number," type RG11609595. Your browser will be directed to information regarding this case. You may view the Court's docket from here, including but not limited to, documents filed with the Court (on the "Register of Actions"), rulings, and orders and other information. You may also call Class Counsel.

Dated: February 28, 2014.  
By Order of Judge Frank Roesch  
Alameda County Superior Court Judge