

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

GIL CRENSHAW, RAY GRAHAM, CARLOS PALACIOS
and JOHN PAEZ, individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

NORTHROP GRUMMAN CORPORATION, a Delaware
corporation and DOES 1 through 10, inclusive,

Defendants.

BRIAN PRESNELL, RAYMOND TREVINO and
DARREL KECK, individually and on behalf of all others
similarly situated,

Plaintiffs

v.

NORTHROP GRUMMAN CORPORATION, a Delaware
corporation and DOES 1 through 10, inclusive,

Defendants.

Case No. BC 317273

Consolidated with Case No. BC 334168

[Assigned to The Hon. John Trotter (Ret.) – General
Reference]

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT AND HEARING
DATE FOR COURT APPROVAL OF THE
NORTHROP GRUMMAN CORPORATION
SETTLEMENT CLASS**

ATTENTION: ALL NON-SALARIED PRODUCTION WORKERS EMPLOYED BY NORTHROP GRUMMAN CORPORATION WHO WORKED THE FIRST SHIFT AT NORTHROP'S EL SEGUNDO MANUFACTURING FACILITY, BETWEEN OCTOBER 1, 2000 AND APRIL 18, 2004.

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHT TO MAKE A CLAIM FOR PAYMENT OR TO ELECT NOT TO BE INCLUDED IN THE CLASS AS FURTHER DESCRIBED BELOW.

Pursuant to the order of the Hon. John Trotter (Ret.), General Reference judge for the Superior Court of the State of California for Los Angeles County entered March 20, 2006, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A settlement has been reached between the parties in the above-captioned lawsuits pending in the Superior Court of the State of California for the County of Los Angeles on behalf of all non-salaried production workers employed at Northrop Grumman's El Segundo manufacturing facility who worked the first shift between October 1, 2000 and April 18, 2004 (the "Class Members"). You have received this notice because records indicate that you worked the first shift for Northrop Grumman Corporation in the El Segundo manufacturing facility within the applicable time period. This notice is designed to advise you of how you can participate in this Settlement and how you can be excluded from this Settlement.

I. BACKGROUND OF THE CASE

On June 18, 2004, a class action lawsuit was filed in the Los Angeles Superior Court by Plaintiffs and Class Representatives GIL CRENSHAW, RAY GRAHAM, CARLOS PALACIOS and JOHN PAEZ, on behalf of all non-salaried production workers formerly and currently employed who worked the first shift at the El Segundo manufacturing facility during the Class Period (the "Crenshaw Action"). On May 27, 2005, BRIAN PRESNELL, RAYMOND TREVINO, and DARREL KECK filed their Class Action Complaint (the "Presnell Action") in Los Angeles County Superior Court alleging substantially the same causes of action alleged in the Crenshaw Action. Thereafter, in order to facilitate the resolution of the cases the cases were consolidated and sent to The Honorable John Trotter (Ret.) for a General Reference, pursuant to C.C.P. §638 to decide all matters of fact and law, including class certification between Plaintiffs and Defendant NORTHROP GRUMMAN CORPORATION. A Settlement has been negotiated by all parties, which has been preliminarily approved by the Court. The Class Settlement Period is October 1, 2000 to and including April 18, 2004 ("Class Period"). Class Counsel are Langford & Langford, A Prof Law Corporation and Walsh & Walsh, PC.

Plaintiffs allege in their Complaints that the non-salaried production workers who worked the first shift at the El Segundo manufacturing facility during the Class Period were not allowed to take their lunch breaks in a timely manner as required by law. Plaintiffs seek restitution, various penalties and other relief on behalf of themselves and the Class Members under the California Labor Code and the California Business and Professions Code associated with Defendant Northrop Grumman Corporation's alleged failure to timely provide meal periods. Defendant denied the allegations and contends it is not liable for any damages or penalties.

These cases have been actively litigated since they were filed. There have been on-going investigations, and there has been an exchange of a large amount of information. Furthermore, the parties have participated in extensive settlement discussions, including a full-day mediation conference before The Honorable John Trotter (Ret.). At the mediation, the parties were able to reach a settlement.

The parties then entered into a Stipulation of Settlement, which has been given preliminary approval by the Court. This Settlement applies to the Class which is defined as all first shift non-salaried production workers employed by Northrop Grumman at the El Segundo manufacturing facility at any time between October 1, 2000 through April 18, 2004. The Class will not include any person who submits a timely and valid Request for Exclusion as provided herein, or any person who previously settled or released a claim covered by this Settlement or received an award for the claims covered by this Settlement.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Settlement, Defendant has agreed to pay money to finally and forever resolve each Class Member's respective claims which are alleged in the Class Action Complaints, up to a maximum amount of Two Million Dollars (\$2,000,000.00). Deducted from this Settlement amount will be sums approved by the Court for attorneys' fees (\$475,000.00), attorneys' costs (\$8,000.00), enhancement awards to Class Representatives: Gil Crenshaw - Three Thousand Five Hundred Dollars (\$3,500.00), Ray Graham - Three Thousand Five Hundred Dollars (\$3,500.00), Carlos Palacios - Three Thousand Five Hundred Dollars (\$3,500.00), John Perez - Three Thousand Five Hundred Dollars (\$3,500.00), Brian Presnell - One Thousand Dollars (\$1,000.00), Raymond Trevino - One Thousand Dollars (\$1,000.00), Darrel Keck - One Thousand Dollars (\$1,000.00). This will leave a Net Settlement Fund for distribution to Class Members of \$1,500,000.00.

As explained below, the amount of a Class Member's respective Settlement award will depend on the number of days he or she worked a first shift of greater than six hours during the following two Class periods: (a) Class Period One: June 18, 2003 to April 18, 2004 and (b) Class Period Two: October 1, 2000 to June 17, 2003. Class Members may be a member of one or both of these Class Periods, depending on their dates of employment as a Class Member. The Net Settlement Fund (i.e., the amount of the Settlement after deducting attorney's fees and costs, and enhancement awards for Class Representatives) will be divided such that Class Period One will receive eighty percent (80%), and Class Period Two will receive twenty percent (20%). To determine the amount to be paid for each day worked in each Class Period, the Claims Administrator will divide the portion of the Net Settlement available to that Class Period by the total number of days with a first shift of greater than six hours worked by all Class Members for that Class Period. Your Settlement award for a particular class will depend on the number of days you worked a first shift greater than six hours in the Class Period and the amount the Claims Administrator calculates is payable per day for the same Class Period.

The Claim Form accompanying this Notice lists for each Class Member the amount of the Settlement award for the Class Member and the number of days the Class Member worked a shift greater than six hours according to the Company records.

As described below, Defendant will pay Settlement awards to each Class Member who submits a valid and timely Claim Form. All Claim Forms must be signed and completed in their entirety to be considered valid. All Settlement awards are subject to tax.

B. Calculation to be Based on Defendant's Records

For each Class Member submitting a claim, the amount payable to the Class Member will be calculated by the Claims Administrator from Defendant's records. Defendant's records will be presumed correct with respect to the number of days a Class Member worked a first shift greater than six hours. Those records will be reviewed by the Claims Administrator in the event of a dispute about the number of days worked by an individual Class Member. If a Class Member disputes the accuracy of Defendant's records, and the dispute cannot be resolved informally, the dispute will be resolved by the Claims Administrator as described in section D below. Any such Class Member who disputes the accuracy of the number of days the Claims Administrator has calculated he or she worked must submit any documentation directly to the Claims Administrator, at the address stated below, at the same time the Class Member postmarks and mails the Claim Form to the Claims Administrator, and before the deadline.

C. Release

The Joint Stipulation of Settlement and Release between Plaintiffs and Defendants contains a release, which releases Northrop Grumman ("Defendant") and its present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be jointly liable with Defendant, or any of them from any and all causes of action which relate to the Claims and allegations in the Crenshaw Action and the Presnell Action, including the alleged failure of Defendant to provide Class Members timely meal periods, as well as any and all penalties, interest, attorney's fees and costs, liquidated damages and punitive damages on such claims whether under federal, state or local law, for employment at Northrop Grumman from October 1, 2000 to and including the date of the preliminary approval of this Settlement (the "Released Claims"). In addition, the Settlement Class and each member of the class who has not submitted a valid Request for Exclusion forever agrees that he or she shall not institute, nor accept back pay, penalties or compensation for the Released Claims. For the precise terms of the release, you should consult the Joint Stipulation of Settlement (see Section VI below).

D. Resolution of Disputes

If a Class Member disputes the accuracy of Defendant's records as to the number of days worked, the matter will be referred to the Claims Administrator, who will review all pertinent documentation and issue a non-appealable decision as to the number of days worked. The submission of any dispute to the Claims Administrator will be made at the time the Claim Form is submitted. Following any such submission to the Claims Administrator, counsel for the parties will confer in a good faith effort to resolve the dispute. If the parties are unable to resolve the dispute, the Claims Administrator will decide the issue within fourteen (14) days after the time for filing Claims Forms has expired.

E. Enhancement Awards for the Class Representatives

The Class Representatives will each receive enhancement awards in the following sums: Gil Crenshaw - Three Thousand Five Hundred Dollars (\$3,500.00), Ray Graham - Three Thousand Five Hundred Dollars (\$3,500.00), Carlos Palacios - Three Thousand Five Hundred Dollars (\$3,500.00), John Perez - Three Thousand Five Hundred Dollars (\$3,500.00), Brian Presnell - One Thousand Dollars (\$1,000.00), Raymond Trevino - One Thousand Dollars (\$1,000.00), Darrel Keck - One Thousand Dollars (\$1,000.00). These payments are for their services as Class Representatives as well as their willingness to accept the risk of agreeing to advance Class Counsel's costs and/or paying Defendant's attorney's fees and costs in the event of an unsuccessful outcome on a motion for summary judgment, on a motion for class certification, at trial or on appeal.

F. Attorney's Fees and Costs

In consideration for the Settlement and in exchange for the Release by the Settlement Class, Defendant agrees to pay to Class Counsel, attorneys' fees in the amount of four hundred seventy five thousand dollars (\$475,000.00), and attorneys' costs of eight thousand dollars (\$8,000.00). All attorneys for the parties to this action believe the amounts for attorneys' fees and costs requested are fair and reasonable. The Class Representatives and Class Counsel support this Settlement. Among the reasons for support are the complete defenses to liability potentially available to Defendant, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

A. Submitting a Claim

If you wish to submit a claim, you must complete and sign the Claim Form and return it, by First-Class U.S. Mail, to:

Northrop Grumman Claims Administrator
c/o Desmond Marcello & Amster
Post Office Box 451999
Los Angeles, California 90045

The Claim Form must be postmarked no later than June 5, 2006. If your Claim Form is not postmarked by June 5, 2006, you will not receive any payment but you will be bound by the Release and all terms of the Settlement. If the Claim Form is sent from within the United States, it must be sent through the United States Postal Service by First-Class U.S. Mail or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Claim Form. If you lose, misplace or need another Claim Form, you should contact the Claims Administrator. You should retain a copy of your postmarked Claim Form.

The parties will not discourage Class Members from filing claims. In addition, California law protects Class Members from retaliation based on their decision to participate in a class action settlement.

B. Excluding Yourself from the Settlement

Persons who do not wish to participate in the Settlement may exclude themselves (i.e., "opt out") by mailing a written Request for Exclusion to the Claims Administrator. The written Request for Exclusion must clearly and unequivocally indicate the Class Member desires to be excluded from the Settlement. The written Request for Exclusion must be signed, dated, returned by First-Class U.S. Mail or the equivalent, to:

Northrop Grumman Claims Administrator
c/o Desmond Marcello & Amster
Post Office Box 451999
Los Angeles, California 90045

The Request for Exclusion must be postmarked no later than June 5, 2006. If you submit a Request for Exclusion which is not postmarked by June 5, 2006, your Request for Exclusion will be rejected and you will be bound by the Settlement and all terms of the Settlement. If the Request for Exclusion is sent from within the United States, it must be sent through the United State Postal Service by First-Class U.S. Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion.

Any person who files a complete and timely Request for Exclusion shall, upon receipt, no longer be a member of the Settlement Class, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. Any such person, at his or her own expense, may pursue any claims he or she may have against Defendant.

DO NOT SUBMIT BOTH THE CLAIM FORM AND A REQUEST FOR EXCLUSION. IF YOU SUBMIT BOTH, THE REQUEST FOR EXCLUSION WILL BE INVALID, YOU WILL BE INCLUDED IN THE SETTLEMENT CLASS, AND YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT.

C. Objection to Settlement

You can object to the terms of the Settlement before final approval. However, if the Court rejects your objection, you will be bound by the terms of the Settlement unless you have submitted a valid and timely Request for Exclusion. If you file a Request for Exclusion, you waive your right to object. To object, you must file a written objection and a notice of intention to appear at the Final Approval hearing currently set for July 10, 2006, at noon at Judicial Arbitration Mediation services (JAMS), located at 500 N. State College Blvd., Suite 600, Orange, California 92868. You must also send copies to the following:

Michael J. Walsh, Esq.
WALSH & WALSH, PC
420 Exchange, Suite 270
Irvine, California 92602
Tel: (714) 544-6609; Fax: (714) 544-6621

Michael S. Langford, Esq.
LANGFORD & LANGFORD, A PLC
1502 North Broadway
Santa Ana, California 92706
Tel: (714) 953-9700; Fax: (714) 953-9749

Charles F. Barker, Esq.
SHEPPARD MULLIN RICHTER & HAMPTON, LLP
A Limited Liability Partnership Including Professional Corporations
333 South Hope Street, 48th Floor
Los Angeles, California 90071-1448
Tel: (213) 620-1780; Fax: (213) 620-1398

Any written objections must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates of your employment by Northrop Grumman. To be valid and effective, any objections to approval of the Settlement must be filed with JAMS and delivered to each of the above-listed attorneys no later than June 5, 2006. **DO NOT TELEPHONE THE COURT OR JAMS.**

If you chose to file an objection to the terms of this Settlement, you may enter an appearance in propria persona (meaning you choose to represent yourself) or through your own attorney. To do so, you must file an Entry of Appearance with the Honorable John Trotter's (Ret.) Clerk or JAMS, and deliver copies to each of the attorneys listed above. Such Entry of Appearance must be filed with JAMS and delivered to the above attorneys no later than June 5, 2006. You will then continue as a Class Member either in *propria persona* or with representation by your own attorney. The Final Approval hearing at which the Court will be asked to approve the Settlement will be noon (Pacific Time) on July 10, 2006, at JAMS located at 500 N. State College Blvd. Suite 600, Orange, California 92868, or such other, later date as the Honorable John Trotter (Ret.) may authorize.

IF YOU INTEND TO OBJECT TO THE SETTLEMENT, BUT WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT FUNDS, YOU MUST TIMELY FILE YOUR CLAIM FORM AS STATED ABOVE. IF THE COURT APPROVES THE SETTLEMENT DESPITE ANY OBJECTIONS, AND YOU DO NOT HAVE A CLAIM FORM ON FILE, YOU WILL NOT RECEIVE ANY SETTLEMENT PROCEEDS.

IV. EFFECT OF THE SETTLEMENT

A. Released Rights and Claims

The Settlement is intended to settle all actions or causes of action which relate to the Claims and allegations in the Crenshaw Action and the Presnell Action, including the alleged failure of Defendant to provide first shift non-salaried production workers employed at Northrop Grumman's El Segundo California Facility during the Class Periods with timely meal periods as well as any and all penalties, interest, attorneys' fees and costs, liquidated damages and punitive damages on such claims whether under federal, state or local law, for employment at Northrop Grumman in El Segundo in California, from October 1, 2000, to and including the date of the preliminary approval of this Settlement (the "Released Claims"). The Released claims will extend to Defendant, its present or former parent companies, subsidiaries, division, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be jointly liable with Defendant. If you were employed as a first shift non-salaried production worker employed in El Segundo, California between October 1, 2000, and April 18, 2004, and do not elect to exclude yourself from the Class, you will be deemed to have entered into this Release and to have released the above-described claims even if you do not submit a Claim Form. In addition, you will be barred from ever suing Defendant again with respect to matters covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue. For the precise terms of the release, you should consult the Stipulation of Settlement and Release (see section VI below).

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing on July 10, 2006, at noon (Pacific Time), at JAMS located at 500 N. State College, Suite 600; Orange, California 92868, to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs and the enhancement awards to be paid to the Class Representatives. Class counsel's application for attorneys' fees and costs will be on file with the Court no later than June 26, 2006, and will be available for review after that date. Class counsel are seeking approval of four hundred seventy five thousand dollars (\$475,000.00) in attorney's fees, and approval of eight thousand dollars (\$8,000.00) for costs.

The hearing may be continued without further notice to the Settlement Class. **It is not necessary for you to appear at this hearing.**

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Stipulation of Settlement which is on file with at JAMS, with the Honorable John Trotter (Ret.). The pleadings and other records in this litigation, including that stipulation, may be examined at any time during regular business hours at JAMS, located at 500 N. State College, Orange, California 92868.

If you have any questions regarding the settlement, please contact Class Counsel Michael Walsh or Michael Langford. **PLEASE DO NOT TELEPHONE THE COURT, JAMS, OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS!**

BY ORDER OF THE REFEREE APPOINTED BY THE SUPERIOR COURT

THIS NOTICE REQUESTS THAT YOU POSTMARK A CLAIM FORM OR A WRITTEN REQUEST FOR EXCLUSION ON OR BEFORE JUNE 5, 2006 IF YOU WISH TO RECEIVE PAYMENT FOR YOUR SHARE OF THE SETTLEMENT DESCRIBED BELOW, OR TO BE EXCLUDED FROM THE SETTLEMENT CLASS.

IF YOU SUBMIT A CLAIM FORM WHICH IS NOT POSTMARKED BY JUNE 5, 2006, OR IF YOU SUBMIT A CLAIM FORM WHICH IS NOT COMPLETELY FILLED OUT, YOU WILL NOT RECEIVE ANY PAYMENT BUT YOU WILL BE BOUND BY THE RELEASE OF CLAIMS AND ALL OTHER SETTLEMENT TERMS.