

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF KERN, UNLIMITED CIVIL, METROPOLITAN DIVISION**

GARY SCOTT and MARIO GONZALES,  
individually, and on behalf of themselves and all  
others similarly situated,

Plaintiffs,

vs.

MARANATHA PRIVATE CORRECTIONS, LLC;  
MARANATHA PRODUCTION COMPANY,  
LLC; MARANATHA CORRECTIONS, LLC;  
WHITE, LLC; BLACK CORPORATION; RED  
COMPANY; and DOES 1 through 100, inclusive,

Defendants.

) CASE NO. S-1500-CV-254459 SPC

) **NOTICE TO CLASS OF PROPOSED  
SETTLEMENT**

) **Complaint Filed: December 17, 2004**  
) **Date Set for Trial: Not Set**

**NOTICE TO:**

All persons who have been employed by Maranatha Private Corrections, LLC; Maranatha Production Company, LLC, Maranatha Corrections, LLC, (hereinafter collectively referred to as "Maranatha") for the period 12/17/01 to 6/30/05 who are allegedly owed wages, overtime pay, uniform allowances and/or any other compensation or amount by Maranatha because of Maranatha's alleged non-payment of wages or any other compensation or amount required to be paid by law, including the California Labor Code and/or the California IWC Wage Orders. This includes compensation for alleged violations of law regarding non-payment for all hours worked, including wages at overtime pay rates for all hours worked in excess of eight (8) hours in one work day and/or forty (40) hours in one work week, wages allegedly owed because Maranatha allegedly failed to provide rest and meal breaks to employees, and/or allegedly failed to pay required uniform allowances.

A hearing regarding a proposed settlement of this class action will be held on August 17, 2007, at 8:30 a.m. before the Honorable Sidney P. Chapin in Department 4 of the above-entitled court located at 1415 Truxtun Avenue, Bakersfield, California. The hearing will be held to determine whether the proposed settlement is fair, reasonable, and adequate.

**WHY DID YOU RECEIVE THIS NOTICE?**

This lawsuit was brought on behalf of certain employees who have worked during the relevant time period for Maranatha. You have received this notice because the business records of Maranatha indicate that you may be a member of the settlement class during the relevant time period and as such you may be eligible for a form of compensation from this settlement.

### **WHY YOU SHOULD READ THIS NOTICE:**

This notice is to let you know that there was a hearing already on March 19, 2007 at 8:30 a.m. in the Superior Court for the State of California for the County of Kern. Judge Sidney P. Chapin conditionally certified a class action and ordered that you receive this Notice. The court will hold a Final Fairness Hearing concerning the proposed settlement on August 17, 2007. This Notice tells you of your rights to share in the settlement, or to "opt out" of the settlement, or to "object" to the settlement. Since you are a member of the plaintiff class, you should read this Notice carefully because it will affect your rights.

### **THE JUDGEMENT WILL BIND ALL CLASS MEMBERS WHO DO NOT REQUEST EXCLUSION.**

The judgment will bind all class members who do not request exclusion. Any member of this Settlement Class who does not request exclusion, may, if the member so desires, enter an appearance through counsel or object themselves in accordance with the appropriate procedure.

### **IS THERE A TRIAL DATE SET FOR THIS CLASS ACTION?**

No trial date has been set at this time. However, if the settlement fails for any reason, the parties may proceed to a trial.

### **WHAT IS THE CLASS ACTION SETTLEMENT?**

The interest of the class was represented by a law firm that litigated the case for the putative class and negotiated a resolution of the case for the putative class. The parties reached a proposed settlement of the lawsuit that they believe is fair, reasonable, and adequate, and in the best interests of the parties. The settlement, if approved by the court, will affect all members of the class and entitle them to compensation from a class action settlement fund amount, as described below. The fund is created to settle the lawsuit. Below is an explanation of the terms of the settlement and the amount of money you may receive.

### **WHY DID DEFENDANT JOIN IN THE MOTION?**

Maranatha joined in the motion only as a compromise. Maranatha does not admit the allegations in this case. The allegations include claims for recovery of unpaid overtime pay, un-provided rest and meal breaks, and failure to pay uniform allowances and related claims. Maranatha is settling this matter by way of compromise and is not giving up its right to contest and object to any of the claims in the complaint if for any reason the settlement fails. The judgment in this case will say that it is not on the merits. In short, Maranatha admits no liability in this case; any resulting judgment because of this settlement will not be on the merits, and the judgment will so state. The court file contains the settlement documents and pleadings with more information on the lawsuit.

### **WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?**

Attorneys for the Plaintiff Class:

RALPH WM. WYATT, ESQ.  
GANONG & WYATT, LLP  
924 Truxtun Avenue  
Telephone: (661) 327-3377  
Facsimile: (661) 327-3395

Attorney for Maranatha:

KIRK S. TRACEY, ESQ.,  
LAW OFFICES OF KIRK S. TRACEY  
1601 F Street  
Bakersfield, CA 93301  
Telephone: (661) 326-8400  
Facsimile: (661) 327-8568

### **WHAT ARE YOUR RIGHTS IN THIS MATTER?**

If you wish to remain a member of the settlement class and receive the benefits of the settlement, you must complete the Claim Form which is attached to this Notice and promptly and timely return it to the Claims Administrator, whose address is listed on the Claim Form, postmarked within 60 calendar days of the first mailing of this Notice of Preliminary Approval of the Settlement or not later than June 12, 2007. This deadline date is also listed on the enclosed Claim Form. Class counsel appointed and approved by the court will represent you. The Claim Form will be processed by the Claims Administrator and money or other compensation will be distributed to you at a later date, if you qualify.

However, if you do not wish to participate in the settlement, you must request exclusion by completing and sending to the Claims Administrator the attached Opt-Out form a "Request for Exclusion from the Class Action Settlement" postmarked no later than June 12, 2007. If you request exclusion, you will not participate in the settlement. The exclusion request will state: "I wish to be excluded from the settlement class in Kern County Superior Court Case No. S-1500-CV-254459 SPC and I understand that by doing so I will not receive the benefits of the settlement." Send the exclusion notice directly to the Claims Administrator whose address is listed below.

### **WHAT IF YOU NEED ADDITIONAL INFORMATION?:**

If you have any questions, you may call the Claims Administrator toll free at **1-888-601-2323**. Refer to the Scott v. Maranatha class settlement. You may also write to:

Scott/Maranatha Claims Administration  
c/o Desmond, Marcello & Amster  
Attn: Wes Nutten  
6060 Center Drive, Suite 825  
Los Angeles, CA 90045

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### **PLEASE DO NOT CALL THE COURT**

### **BACKGROUND OF CASE**

On December 17, 2004, this case was filed on behalf of Plaintiffs, individually, and the Plaintiff Class, consisting of alleged former employees of Maranatha Private Corrections, LLC, Maranatha Production Company, LLC and Maranatha Corrections LLC (collectively referred to herein as "Defendant" or "Maranatha"), who were employed at any time during December 17, 2001 until June 30, 2005 who are allegedly owed wages or any other compensation or amount by Maranatha because of Maranatha's alleged non-payment of the wages or any other compensation or amount required to be paid by federal and/or state law, including the California Labor Code and/or the California IWC Wage Orders, for all hours worked, including wages at overtime pay rates for all hours worked in excess of eight (8)

hours in one work day and/or forty (40) hours in one work week and/or wages owed because Maranatha was required but allegedly failed to provide rest and meal breaks to employees, failed to pay employees for all time worked and failed to pay employees for uniform maintenance. The Settlement Class includes Maranatha's non-exempt employees who are Security Specialists, Security Specialists I, PIE's, Cooks, Bakers, Clerk Typists, Clerks, Custodians, and Receptionists, during the Class Periods.

Maranatha ceased operating on or about June 30, 2005. Maranatha is out of business.

### SUMMARY OF LITIGATION

Plaintiffs have engaged in extensive investigation during the litigation but have not yet filed their motion for certification of a class in this case. Based upon the facts discovered during the litigation, the parties have agreed to stipulate to conditional certification of a class for settlement purposes.

### SETTLEMENT

The parties have agreed to a settlement which is summarized in this section. A full copy of the settlement agreement, called Stipulation of Settlement, may be examined during regular office hours in the office of the clerk of the Kern County Superior Court, 1415 Truxtun Avenue, Bakersfield, California. The following is a summary of the principal terms of the settlement:

"Settlement Amount" or "Settlement Funds" as used in this Agreement mean the total consideration not to exceed \$602,642.08, from which all compensation for Class Claims, the Class Representative Enhancement, Plaintiffs' Counsel's Legal Fees and Costs, Claims Administration Costs and Special Master Costs shall be allocated, calculated and funded as set forth below:

There are three settlement funds established to compensate eligible individuals for alleged different categories of damages, as well as funding for attorney fees, to compensate the two named class representatives for their efforts in this matter, and to pay for administrative and related costs of implementing this settlement. The total settlement amount for each category is as follows:

1. Unpaid Hours Worked Class Compensation Fund:

The maximum amount to be funded and paid by DEFENDANT for unpaid Hours Worked Class shall be \$100,000. The compensation shall be paid only to those claimants who claim they were unpaid for time worked from 12/17/01 to 6/30/05, (1292 days, three years prior to the date of the filing of the Complaint). Class claimants who signed statements in January 2005 representing to have been paid for all time worked shall not be eligible for compensation for this payment unless they are exempted by a finding of the Special Master under the procedure established.

2. Unpaid Meal & Rest Break Class Compensation Fund:

The maximum amount to be funded and paid by DEFENDANT for the unpaid Meal Time & Rest Break Class is \$245,242.08. The compensation shall be paid only to those claimants who establish their eligibility through the Break Eligibility Process for the time worked from 12/17/03 to 6/30/05 (562 work days, one year prior to the date of the filing of the Complaint). Class claimants who signed statements in January 2005 representing to have been paid for all time worked including rest and meal breaks shall not be eligible for compensation for this payment unless they are exempted by a finding of the Special Master through the Exemption Process.

3. Unpaid Uniform Maintenance Class Compensation Fund:

The maximum amount to be funded and paid by DEFENDANT for the unpaid Uniform Maintenance Class is \$66,000. The compensation shall be paid only to those claimants who were not paid a uniform maintenance allowance from 12/17/01 to 6/30/05 (42 ½ months), three years prior to the date of the filing of the Complaint.

4. Class Representative Enhancement:

The maximum amount to be funded and paid by DEFENDANT for and as a Class representative enhancement is \$20,000. These funds shall be paid \$10,000 to Gary Scott and \$10,000 to Mario Gonzales, provided they do not opt out of the settlement.

5. Plaintiffs' Counsel's Legal Fees and Costs:

DEFENDANT, subject to Section 12.2 of this Agreement, agrees to fund a maximum of \$165,000 as payment for Plaintiffs' Counsel's Class legal fees, and to fund a maximum of \$6,400 as and for reimbursement of costs of suit incurred by Plaintiffs and their counsel.

6. Claims Administration Costs & Special Master Costs:

The parties agree the cost of the Claims Administration and the Special Master shall first be from any surplus monies in any of the Class Compensation Funds and if insufficient, then such remaining costs shall be borne pro-rata from the Unpaid Hours Work Fund at 24.39%, the Unpaid Meal and Rest Break Fund at 59.51% and the Uniform Maintenance Fund at 16.1%.

The method of funding and calculation of claims payments and claims administration and Special Master costs are as follows:

Defendant shall deposit the sum of \$50,000 into an escrow account to be established and administered by the Claims Administrator, pursuant to the terms of this Agreement. The initial deposit of \$50,000 shall be replenished by Defendant with such additional funds as necessary, in \$50,000 increments, for an aggregate amount not to exceed \$411,242.08 as claims are received, aggregated and Claims Administration and Special Master Costs are incurred.

For eligible claimants, the compensation will be determined as follows:

1. Claims Paid from the Unpaid Hours Worked Class Compensation Fund:

These Claims shall be paid by a formulation considering the total number of days the eligible claimant worked multiplied by 11 minutes per day; the resulting sum is then divided by 60 minutes; this new resulting sum is then to be multiplied by the pay rate of the eligible claimant at the time of separation with DEFENDANT which shall equal the amount due a claimant. A claimant's total number of days shall not exceed the Class Period of 1292 days. The Claims Administrator shall adjust the formulation to avoid aggregate claim values and costs of administration and Special Master Costs exceeding the total funding of \$100,000. Class claimants who signed statements in January 2005 representing to have been paid for all time worked shall not be eligible for compensation for this payment unless they are exempted by a finding of the Special Master under the procedure established.

2. Claims Paid from the Unpaid Meal and Rest Break Class Compensation Fund:

These Claims, determined to be eligible or exempt, or both, by the Special Master, shall be paid a fixed amount payment based upon each claimant's Workday longevity. Claimant's Workdays shall determine which of the following six (6) different categories a claimant is to be entitled to receive payment. Each eligible claimant who worked 90 Workdays or less may be entitled to receive \$194.40. Each eligible claimant who worked between 91 and 180 Workdays may be entitled to receive \$388.80. Each eligible claimant who worked between 181 and 240 Workdays may be entitled to receive \$518.40.

Each eligible claimant who worked between 241 and 362 Workdays may be entitled to receive \$781.92. Each eligible claimant who worked between 363 and 542 Workdays may be entitled to receive \$1,170.72. Each eligible claimant who worked more than 542 Workdays may be entitled to receive \$1,213.92. A claimant's total number of days shall not exceed the Class Period of 562 Workdays. The Claims Administrator shall adjust the formulation to avoid aggregate claim values and costs of administration and Special Master Costs exceeding the total funding of \$245,242.08.

3. Claims Paid from the Unpaid Uniform Maintenance Class Compensation Fund:

These Claims shall be paid by a formulation considering the total number of months or ½ month the eligible claimant worked, multiplied by \$22.60 per month (½ month at \$11.30), which shall equal the amount due a claimant. A claimant's total number of months shall not exceed the Class Period of 42 ½ months. A claimant who has worked less than seven days shall not have that month counted; a claimant who has worked 7 or more days but less than 14 days shall have that month counted as a ½ month; a claimant who has worked more than 14 days in a month shall have that month counted as a full month. The Claims Administrator shall adjust the formulation to avoid aggregate claim values and costs of administration and Special Master Costs exceeding the total funding of \$66,000. Defendant's former employees who have already received a uniform maintenance payment are ineligible to receive compensation from this fund.

Method of Funding of the Class Representative Enhancement & Plaintiffs' Counsel's Attorney Fees and Costs:

1. Class Representative Enhancements:

DEFENDANT agrees to deposit into escrow on behalf of the two class representatives, GARY SCOTT and MARIO GONZALES the sum of \$20,000 with the Claims Administrator. The Claims Administrator shall release \$10,000 to each Named Plaintiff from this fund to the respective Named Plaintiff, who has not opted out, upon presentation of a signed Final Order from the Kern County Superior Court approving the class settlement.

2. Plaintiffs' Counsel's Attorney Fees and Costs:

Defendant, subject to Section 12.2 of the Agreement, shall deposit the sums of \$165,000 and \$6,400 into escrow with the Claims Administrator, as and for court awarded and ordered attorney fees and costs respectively. The court awarded attorney fees and costs shall be released to the Class Representatives' attorneys upon service upon the Claims Administrator of an endorsed and conformed Order from the Kern County Superior Court approving the award of attorney fees and costs in the sums not to exceed \$171,400.

Miscellaneous:

1. Reversion of Unclaimed Funds:

The agreement also provides for a reversion of the residual settlement amounts to defendant, if any. Any Settlement Amount paid into a Class Compensation Fund which is remaining after the Claims Administrator has paid claims, the costs of the Claim Administrator and the Special Master pursuant to this Agreement, shall immediately revert to and be tendered back to DEFENDANT by the Claims Administrator; those "funds remaining" are not "unpaid residue" under California C.C.P. Section 384, and *In re Vitamin Cases* (2003) 107 Cal.App.4th 820.

2. Definition of Workdays.:

"Workdays," for purposes of this Agreement only, means the total number of calendar days that start with the date that any claimant was hired by DEFENDANT and end with that claimant's last date of active employment with DEFENDANT, excluding gaps and interruptions of service; and, "months" for

purposes of this Agreement only, means the total number of months that start with the date that any claimant was hired by DEFENDANT and end with that claimant's last date of active employment with DEFENDANT, excluding gaps and interruptions of service and will be fractionalized to half months.

3. Definition of Preliminary Approval Date:

"Preliminary Approval Date" as used herein means the date when this Stipulation for Settlement has been preliminarily approved by the court.

**TO MAKE A CLAIM:**

If you approve of the settlement and wish to participate in the recovery complete the Proof of Claim Form enclosed with this Notice and make sure that it is post-marked and mailed to the Scott/Maranatha Claims Administrator, c/o Desmond, Marcello & Amster, Attn: Wes Nutten, 6060 Center Drive, Suite 825, Los Angeles, CA 90045 within 60 days of this notice but not later than June 12, 2007.

**TO OBJECT TO THE SETTLEMENT:**

Any class member who objects to the proposed settlement, may appear personally or through counsel at the Hearing and object to the approval. In order to be heard or to have papers or briefs considered by the Court, any objecting class member must file a notice of intention to appear along with any papers for the Court to consider and must serve the counsel listed below:

Attorneys for the Plaintiff:

RALPH WM. WYATT, ESQ.  
GANONG & WYATT, LLP  
924 Truxtun Avenue  
Telephone: (661) 327-3377  
Facsimile: (661) 327-3395

Attorney for Maranatha:

KIRK S. TRACEY, ESQ.  
LAW OFFICES OF KIRK S. TRACEY  
1601 F Street  
Bakersfield, CA 93301  
Telephone: (661) 326-8400  
Facsimile: (661) 327-8868

All objections to the Settlement must be filed in the Court and postmarked to all counsel of record no later than sixty (60) calendar days after this Notice to Class of Proposed Settlement is mailed, first mailing date, in other words by June 12, 2007. Unless the Court directs otherwise, the 60 day period applies notwithstanding any argument regarding non-receipt of this Notice. If any objector intends to appear at the Final Fairness Hearing, either in person or through counsel, he or she must include, with the objection, notice of that fact and state the grounds for his or her objection. The parties will be permitted to respond in writing to such objections within the time period set by the Court. If any member of the class fails to file and serve a timely objection, he or she will not be able to contest the Stipulation of Settlement at the Final Fairness Hearing.

All objections should be sent not only to counsel noted above but also to the court clerk at 1415 Truxtun Avenue, Bakersfield, California 93301.

**IF YOU DO NOT OPPOSE THE PROPOSED SETTLEMENT YOU NEED NOT APPEAR AT THE HEARING OR FILE ANY OBJECTIONS OR OTHER PAPERS WITH THE COURT OR THE ATTORNEYS NOTED ABOVE.**

**HOWEVER YOU SHOULD FILE YOUR CLAIM FORM IF YOU WISH TO BE CONSIDERED FOR A MONETARY PAYMENT UNDER THIS SETTLEMENT AGREEMENT.**

**CHANGE OF ADDRESS**

If you move after receiving this Notice or if this Notice was misaddressed, you should immediately supply your name and correct address to: Scott/Maranatha Claims Administrator, c/o Desmond, Marcello & Amster, Attn: Wes Nutten, 6060 Center Drive, Suite 825, Los Angeles, CA 90045

Keeping the Claims Administrator informed of your correct address is important so your share of the settlement or future notices reach you.

The pleadings and all other records of this litigation may be examined and copied at any time during regular office hours in the office of the Clerk of the Court at the above listed address.

**DO NOT CALL OR WRITE TO THE COURT OR THE CLERK OF THE COURT.**

Dated: March 22, 2007

HONORABLE SIDNEY P. CHAPIN