

STATE OF SOUTH CAROLINA
COUNTY OF CALHOUN
IN THE COURT OF COMMON PLEAS

G. Wayne Lorick, Michael W. Shuler, Dahl C.)
Shuler , Frederick H. Stabler, Jr., Tom L.)
Doyle, Jr., Sky Strickland, and Vertelle)
Pondexter-Jamison, individually and as)
representatives of others similarly situated and)
, as a representative of Tri-County Electric)
Cooperative, Inc.,)

Plaintiffs,)

v.)

CASE NO. 2018-CP-09-00083

Tri-County Electric Cooperative, Inc., Heath)
Hill, Maurice P. Etheridge, Jr., W. Kenneth)
Davis, Jr., F. Douglas Shuler, Jr., Barbara R.)
Heape and Mary A.W. Brown, Individually)
and in their official capacity as Current)
members of the Tri-County Electric)
Cooperative, Inc. Board of Trustees and)
Officers of Tri-County Electric Cooperative,)
Inc.,)

Defendants.)

PROPOSED PRELIMINARY APPROVAL ORDER

This matter having come before the Court on the Parties’ Joint Motion for Preliminary Approval of Settlement, to Appoint Named Plaintiffs as Derivative Member Representatives, and to Appoint Plaintiffs’ Counsel as Derivative Action Counsel (the “Motion”), the Court having reviewed in detail and considered the Motion and memorandum in support of the Motion, the Proposed Settlement Terms, and all other papers that have been filed with the Court related to this Action or the Settlement Agreement,

IT IS HEREBY ORDERED AS FOLLOWS:

1. Capitalized terms used in this Order that are not otherwise defined herein have the same

- meaning assigned to them as in the Settlement Agreement.
2. The terms of the Settlement Agreement are preliminarily approved as fair, reasonable, and adequate under all the circumstances. There is good cause to find that the Settlement Agreement was negotiated at arms-length between the Parties, who were vigorously represented by experienced counsel.
 3. For settlement purposes only, the Court finds that the Plaintiffs herein fairly and adequately represent the interests of others similarly situated as members of Tri-County, and that the prerequisites to derivative action treatment under Rule 23(b)(1), SCRCF, have been preliminarily satisfied.
 4. For settlement purposes only, Plaintiffs G. Wayne Lorick, Michael W. Shuler, Dahl C. Shuler, Frederick H. Stabler, Jr., Tom L. Doyle, Jr., Sky Strickland, and Vertelle Pondexter-Jamison are hereby appointed as Derivative Member Representatives.
 5. For settlement purposes only, the following counsel are hereby appointed as Derivative Action Counsel:

Celeste T. Jones, Esq.
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Bradley S. Wright, Esq.
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6. The Court recognizes that Defendants retain all rights to object to the propriety of said appointments in all other contexts and for all other purposes, should the Settlement not be finally approved. Therefore, as more fully set forth below, if the Settlement is not finally approved, and litigation resumes, this Court's preliminary findings regarding the matters herein shall be of no further force or effect whatsoever, and this Order will be vacated in its entirety.
7. The Court approves, in form and content, the Derivative Membership Notice attached hereto as **EXHIBIT 1** and finds it meets the requirements of S.C.R.C.P. 23(b)(1) and 23(c) and satisfies Due Process. Notice to be sent to all current members of Tri-County, the cost being borne by Defendants and the specific form of the Notice to be approved by the Court.
8. The Parties, by agreement, may revise the proposed Derivative Membership Notice in ways that are not material, or in ways that are appropriate to update those documents for purposes of accuracy or formatting for publication.
9. Pursuant to the said Notice, a hearing will be held (at a date and time to be determined, and communicated to the Tri-County Membership in the final Notice) to consider final approval of the Settlement. Any Member of Tri-County objecting to any aspect of the proposed settlement shall be entitled to be heard at this hearing. The Court shall thereupon issue a Final Order with respect to the proposed Settlement, which shall be binding upon all Parties and all members of Tri-County, even if they have previously initiated, or subsequently initiate, litigation or other proceedings against Defendants or the Parties released as part of the final Settlement..

10. Any Tri-County Member who wishes to object to the proposed Settlement, but fails to appear at the final hearing hereon and state said objection, shall be deemed to have waived the objection.
11. Pending the final determination of the fairness, reasonableness, and adequacy of the proposed Settlement, no Derivative Settlement Member or Tri-County Member may prosecute, institute, commence, or continue any civil lawsuit (individual action or class action) with respect to the Released Claims against any of the Released Parties.
12. Following the Notice period herein prescribed, Court may enter a judgment approving the Settlement Agreement and a Final Judgment and Order in accordance with the Settlement Agreement that adjudicates the rights of all Derivative Settlement Members.
13. Derivative Settlement Members and Tri-County Members do not need to take any action in order to indicate their approval of the proposed Settlement.
14. All discovery and other proceedings in the Litigation as between Plaintiffs and Defendants are stayed and suspended until further order of the Court except such actions as may be necessary to implement the Settlement Agreement and this Order.
15. Until a new Board of Trustees is properly elected and installed, Tri-County shall retain a qualified, independent accounting firm to provide oversight and advisory duties.
16. For clarity, the deadlines set forth above and in the Settlement Agreement are as follows:

Member Notice Mailed by: 14 days from Date of Preliminary Approval,
by _____, 2018.

Publication Notice by: 14 days from Date of Preliminary Approval,
by _____, 2018.

Deadline for Objections/Exclusions: 21 days from Date of Preliminary Approval,
by _____, 2018.

Final Approval Motion:

**30 days from Date of Preliminary Approval,
by _____, 2018**

IT IS SO ORDERED.

ENTERED: _____

Honorable Edgar W. Dickson
Chief Judge for Administrative Purposes