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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BENITO**

NORBERTHA FLORES AVENA, individually,
and on behalf of others similarly situated,

Plaintiff,

v.

PACIFIC SCIENTIFIC ENERGETIC
MATERIALS COMPANY (CALIFORNIA) LLC,
a California limited liability company; and DOES
1 through 50, inclusive,

Defendants.

CASE NO. CU-20-00062

**CLASS AND REPRESENTATIVE
ACTION SETTLEMENT AGREEMENT**

Complaint Filed: May 14, 2020
Trial Date: None set

1 This Class and Representative Action Settlement Agreement is between (1) Plaintiff Norbertha
2 Flores Avena—individually and on behalf of the Class Members defined below—and (2) Defendant
3 Pacific Scientific Energetic Materials Company (California) LLC (collectively, the “Parties”). By this
4 Agreement, the Parties intend, with judicial approval, to settle the Action (defined below). If this
5 Agreement is not finally approved, or is otherwise nullified, then the Parties shall return to their
6 positions preceding this Agreement and Defendant shall retain all rights to challenge Plaintiff’s claims
7 and the certification of any class or collective, unless the Parties agree to seek reconsideration of the
8 ruling or Court approval of a renegotiated agreement.

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EXHIBITS

Notice of SettlementA

1 **1. Definitions**

2 The following definitions apply to this Agreement. Each defined term appears throughout in
3 initial capital letters.

4 **1.1. Action.** “Action” means the lawsuit entitled *Norbertha Flores Avena v. Pacific Scientific*
5 *Energetic Materials Company (California) LLC, et al.*, filed May 14, 2020 in the Superior Court of the
6 State of California for the County of San Benito as Case No. CU-20-00062, and all complaints filed
7 therein.

8 **1.2. Administrative Costs.** “Administrative Costs” means all costs that the Settlement
9 Administrator incurs in administering this Agreement.

10 **1.3. Agreement.** “Agreement” means this Class and Representative Action Settlement
11 Agreement, which includes all its Recitals and all the attached Exhibits.

12 **1.4. Class Counsel.** “Class Counsel” refers to Matern Law Group, PC. For purposes of
13 providing any notice under this Agreement, Class Counsel shall refer to Matthew J. Matern and
14 Matthew W. Gordon, 1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266.

15 **1.5. Class Counsel Award.** “Class Counsel Award” refers to the amount of attorney’s fees
16 and costs that the Court awards in connection with resolving the Action in accordance with this
17 Agreement.

18 **1.6. Class Members.** “Class Members” refers to those individuals who for purposes of this
19 Agreement will be certified as members of the class, defined as follows: all individuals whom Defendant
20 employed in California as nonexempt employees at any time during the Settlement Period for Class
21 Members.

22 **1.7. Class Period.** See “Settlement Period.”

23 **1.8. Class Representative.** “Class Representative” refers to Plaintiff Norbertha Flores Avena.

24 **1.9. Complaint.** “Complaint” refers to any and all complaints filed in the Action.

25 **1.10. Consideration Period.** “Consideration Period” refers to the 45 calendar days following
26 initial mailing of the Notice of Settlement, during which an individual can submit an Objection or a
27 Request for Exclusion.
28

1 **1.11. Court.** “Court” refers to the judge presiding over this Action in the California Superior
2 Court for the County of San Benito.

3 **1.12. Defendant.** “Defendant” refers to Pacific Scientific Energetic Materials Company
4 (California) LLC.

5 **1.13. Defense Counsel.** “Defense Counsel” refers to Seyfarth Shaw LLP. For purposes of
6 providing any notices required under this Agreement, Defense Counsel shall refer to Timothy M.
7 Rusche, trusche@seyfarth.com.

8 **1.14. Effective Date.** “Effective Date” shall be the later of (a) the Court’s final approval of the
9 Agreement, if no objections have been filed, (b) the time of appeal has expired if an objection has been
10 filed, (c) or the final resolution of any appeal that has been filed.

11 **1.15. Fairness Hearing.** “Fairness Hearing” is the hearing at which the Court decides whether
12 the terms of the Agreement are fair, reasonable, and adequate and meet all requirements for Final
13 Approval.

14 **1.16. Final Approval Order.** “Final Approval Order” is the order the Court issues, in
15 connection with the Fairness Hearing, that approves this Agreement.

16 **1.17. Gross Settlement Amount.** “Gross Settlement Amount” refers to the maximum payment
17 Defendant may be obligated to make in connection with the Agreement: \$1,700,000. This sum includes
18 all Individual Settlement Payments, any Service Award, the PAGA Payment, Administrative Costs, and
19 the Class Counsel Award; provided, however, it excludes Defendant’s share of employer payroll taxes.
20 No portion of the Gross Settlement Amount shall revert to Defendant.

21 **1.18. Individual Settlement Payment.** “Individual Settlement Payment” refers to the amount
22 the Settlement Administrator distributes from the Net Settlement Amount to each Settlement Class
23 Member.

24 **1.19. Judgment.** “Judgment” refers to the final judgment entered by the Court in this Action
25 after finally approving the Agreement.

26 **1.20. LWDA.** “LWDA” refers to the California Labor & Workforce Development Agency,
27 which enforces the Private Attorneys General Act of 2004 (“PAGA”), and which receives the LWDA
28 portion of the PAGA Payment.

1 **1.21. Net Settlement Amount.** “Net Settlement Amount” refers to the portion of the Gross
2 Settlement Amount that remains after accounting for any Service Award, the PAGA Payment,
3 Administrative Costs, and the Class Counsel Award.

4 **1.22. Notice of Settlement.** “Notice of Settlement” means a notice of the terms of the
5 Agreement, substantially in the form attached as Exhibit A.

6 **1.23. Objection.** “Objection” refers to a written statement timely submitted to the Settlement
7 Administrator that contains (1) the Objector’s full name and current mailing address, (2) the last four
8 digits of the Objector’s social security number, (3) the specific reason(s) for the Objection, and (4) all
9 evidence and supporting papers (including, without limitation, all briefs, written evidence, and
10 declarations) for the Court to consider.

11 **1.24. Objector.** “Objector” refers to a Settlement Class Member who has submitted an
12 Objection.

13 **1.25. PAGA Members.** “PAGA Members” refers to all individuals whom Defendant
14 employed in California as nonexempt employees at any time during the Settlement Period for PAGA
15 Members.

16 **1.26. PAGA Payment.** “PAGA Payment” refers to a payment in settlement of a claim for civil
17 penalties under the Private Attorney General Act of 2004, 75% shall be payable to the LWDA and 25%
18 shall be payable to PAGA Members.

19 **1.27. Parties.** “Parties” refers collectively to (1) Plaintiff and (2) Defendant.

20 **1.28. Plaintiff.** “Plaintiff” refers to Class Representative Norbertha Flores Avena.

21 **1.29. Preliminary Approval.** “Preliminary Approval” refers to the court order granting
22 preliminary approval of this Agreement.

23 **1.30. Qualified Settlement Fund.** “Qualified Settlement Fund” means a qualified settlement
24 fund established pursuant to U.S. Treasury Regulation section 468B-1, 29 C.F.R. § 468B-1.

25 **1.31. Released Parties.** “Released Parties” refers to Defendant and each and all of its current
26 or former subsidiaries, parents, affiliates, joint ventures, predecessors, insurers, agents, employees,
27 successors, assigns, officers, officials, directors, attorneys, personal representatives, executors, and
28 shareholders, including their respective pension, profit sharing, savings, health, and other employee

benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries.

1.32. Request for Exclusion. "Request for Exclusion" refers to a timely, written, opt-out request signed by a Class Member and submitted to the Settlement Administrator with the following information: (1) the Class Member's full name and current mailing address, (2) the last four digits of the Class Member's social security number, (3) an express statement that the Class Member wishes to be excluded from the terms of the Agreement.

1.33. Released Class Claims. "Released Class Claims" refers to all claims that this Agreement will extinguish as to all Settlement Class Members who do not submit a valid and timely Request for Exclusion, upon the deposit of the Gross Settlement Amount in the Qualified Settlement Fund.

1.34. Released PAGA Claims. "Released PAGA Claims" refers to all claims that this Agreement will extinguish as to all PAGA Members, upon the deposit of the Gross Settlement Amount in the Qualified Settlement Fund.

1.35. Service Award. "Service Award" refers to any payment that the Court awards for service as a Class Representative and for entering into special agreements described in Paragraph 8 of this Agreement.

1.36. Settlement Administrator. "Settlement Administrator" refers to the third-party administrator, identified below, that the Parties select.

1.37. Settlement Class. "Settlement Class" refers to all Class Members who do not file a timely and valid Request for Exclusion.

1.38. Settlement Period. "Settlement Period for Class Members" refers to the period beginning on May 14, 2016 through the Court's preliminary approval of the Agreement, or December 18, 2023, whichever is earlier. "Settlement Period for PAGA Members" refers to the period beginning on March 10, 2019 through the Court's preliminary approval of the Agreement, or December 18, 2023, whichever is earlier.

1 **2. Recitals and Procedural History**

2 **2.1. Business of Defendant.** Defendant is engaged in the business of electronic and laser
3 fabrication assembly and inert and explosive device assembly, and it has employed individuals in
4 California.

5 **2.2. Allegations in Complaint.** On May 14, 2020 Plaintiff brought this Action against
6 Defendant, in the Superior Court of the State of California for the County of San Benito, as an individual
7 and on behalf of a class of similarly situated employees. Plaintiff filed a first amended complaint adding
8 a claim under California’s Private Attorneys General Act, and she subsequently filed a second amended
9 complaint. The Action has asserted claims for, among other things: (1) failure to provide required meal
10 periods (Cal. Lab. Code §§ 226.7, 510, 512, 1194, 1197, and California Wage Order No. 1-2001 § 11),
11 (2) failure to provide required rest periods (Cal. Lab. Code §§226.7, 512, and California Wage Order
12 No. 1-2001, § 12); (3) failure to pay overtime wages (Cal. Lab. Code §§ 200, 203, 226, 510, 558,
13 1193.6, 1194, 1198 and California Wage Order No. 1-2001 § 3); (4) failure to pay minimum wages (Cal.
14 Lab. Code §§ 200, 201, 202, 203, 226, 510, 558, 1193.6, 1194, 1197, and 2699 and California Wage
15 Order No. 1-2001 § 4); (5) failure to pay all wages due to discharged and quitting employees (Cal. Lab.
16 Code §§ 201, 202, and 203; (6) and (7) failure to furnish accurate itemized wage statements and
17 maintain records (Cal. Lab. Code §§ 226, 226.3, 1174, 1174.5, and Cal Wage Order No. 1-2001 § 7);
18 (8) failure to indemnify for business expenses (Cal. Lab. Code § 2802); (9) unfair and unlawful business
19 practices (Cal. Business & Prof. Code § 17200, *et seq.*); (10) penalties under the Labor Code Private
20 Attorneys General Act (Cal. Lab. Code §§ 2698 – 2699.5), including for violations of Labor Code §§
21 201, 202, 203, 204, 210, 221, 225.5 223, 224, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194,
22 1197, 1197.1, 1198, 1999, and 2802.

23 **2.3. Defendant’s Denials.** Defendant denies (1) all the material allegations in this Action, (2)
24 that Defendant violated any applicable laws, (3) that Defendant is liable for damages, penalties, interest,
25 restitution, attorneys’ fees, or costs, or for any other remedy on account of the claims asserted in the
26 Action, and (4) that class certification, collective action certification, or representative treatment is
27 appropriate as to any claim in the Action. Defendant contends that its policies, procedures, and practices
28 comply with all laws asserted in the Action. Defendant has agreed to settle the Action solely to avoid the

burden, expense, and uncertainty of litigation. Any statements in this Agreement are made for settlement purposes only.

2.4. Class Counsel's Investigation. Class Counsel has investigated the facts relating to the claims alleged in the Action and also has analyzed all defenses. Class Counsel interviewed Class Members regarding the claims in the Action, and has examined Defendant's compliance with its policies, procedures, and practices.

2.5. Negotiation of Settlement. Class Counsel has engaged in arms-length negotiations with Defendant with a view toward achieving substantial benefits while avoiding the cost, delay, and uncertainty of further litigation. Plaintiff will urge that the Court approve this Agreement after considering (1) the factual and legal defenses to the claims asserted, which render uncertain the ultimate outcome of the Action, (2) the potential difficulties Plaintiff would encounter in establishing her claims and maintaining class or treatment, (3) the substantial benefits produced by this Agreement, (4) that this Agreement provides relief in an expeditious and efficient manner, compared to any manner of recovery possible after litigation and potential appeal, and (5) that this Agreement allows Class Members to opt out of the Action and individually pursue the claims alleged on behalf of the class in the Action.

2.6. Certification for Settlement Purposes. This Agreement is contingent upon approval of class certification under California Code of Civil Procedure Section 382 for settlement purposes only, and the execution of a general release and confidential settlement agreement by Plaintiff. Defendant expressly reserves the right to challenge the propriety of class certification, collective action certification, or representative treatment for any other purpose should the Court not approve the Agreement.

3. The Gross Settlement Amount.

The Gross Settlement Amount is \$1,700,000. In no event shall Defendant, absent its further agreement, be obligated to pay more than that amount, except Defendant's share of employer payroll taxes. The Gross Settlement Amount includes all Individual Settlement Payments, any Service Award, the Class Counsel Award, the PAGA Payment, and Administrative Costs. No portion of the Gross Settlement Amount shall revert to Defendant.

1 **4. The Net Settlement Amount**

2 **4.1. Calculation of the Amount.** The Net Settlement Amount is the portion of the Gross
3 Settlement Amount that remains after deducting amounts for any Service Award, the PAGA Payment,
4 Administrative Costs, and the Class Counsel Award.

5 **4.2. Calculation of Estimated Individual Settlement Payments.** Estimated Individual
6 Settlement Payments will be calculated on the basis of the number of actual weeks worked attributed to
7 a Class Member in proportion to the total number of actual weeks worked attributed to all Class
8 Members during the Settlement Period for Class Members, following the formula described in Section 7
9 of this Agreement, on the assumption that each eligible individual will fully participate in the
10 Agreement.

11 **5. Selection of Settlement Administrator and Notice of Settlement**

12 **5.1. Selection of Settlement Administrator.** The Parties will mutually select a qualified
13 settlement administrator to serve as the Settlement Administrator before the hearing on Preliminary
14 Approval.

15 **5.2. Settlement Administration.** The Settlement Administrator will, as necessary, print,
16 copy, format, and translate materials, mail notices to Class Members, perform a skip trace for
17 undeliverable addresses, establish and maintain a Qualified Settlement Fund, obtain appropriate tax
18 identification numbers, calculate Individual Settlement Payments, calculate payroll withholdings and
19 payroll taxes, prepare and file all required IRS Forms, mail Individual Settlement Payments and tax
20 forms, establish a hotline telephone number for class member communications, post notices regarding
21 settlement on the Settlement Administrator's website, remit all tax payments and required
22 documentation to federal and state taxing authorities, implement the process for any uncashed settlement
23 checks, and perform all other duties associated with settlement administration, including, but not limited
24 to, all those specified in this Agreement. Any dispute relating to settlement administration shall, after
25 good-faith efforts by the Parties to resolve the dispute, be referred to the Court.

26 **5.3. Confidential Data for the Settlement Administrator.** Within 15 calendar days of
27 Preliminary Approval, Defendant will give the Settlement Administrator a confidential class list
28 containing the names, employee ID numbers, last known address and telephone number(s), dates of

1 employment, numbers of weeks worked during the Settlement Period for Class Members and number of
2 pay periods worked during the Settlement Period for PAGA Members. Defendant shall also provide,
3 when needed, social security numbers to facilitate the administration of this Agreement. The Settlement
4 Administrator shall keep the class data provided by Defendant strictly confidential and shall use the
5 class data only for the purposes described in this Agreement, and shall return the class data to Defendant
6 or confirm the destruction of same upon completing the work called for by this Agreement.
7 Notwithstanding the foregoing, the Settlement Administrator may provide Class Counsel with a redacted
8 list of potential Individual Settlement Payments, which shall not include Class Member names or
9 addresses or identify any Class Member by name or address.

10 **5.4. Mailing Materials to Class Members.** Within 30 calendar days of Preliminary
11 Approval, the Settlement Administrator shall send the Notice of Settlement to Class Members via First
12 Class U.S. Mail, using the last-known mailing address for each Class Member. Any mailing returned as
13 undeliverable shall be sent within five calendar days via First Class U.S. Mail to any available
14 forwarding address. If no forwarding address is available, then the Settlement Administrator shall
15 attempt to determine the correct address by using a computer-based skip-trace search, and shall then
16 perform, if feasible, a re-mailing via First Class U.S. Mail within five calendar days. If no current
17 address is available for a Class Member, then the Notice of Settlement for that Class Member will be
18 deemed undeliverable. Only one re-mailing is required. If a Class Member cannot be located within two
19 attempts at mailing, then the Notice of Settlement for that Class Member will be deemed undeliverable.
20 Any Class Member re-mailed a Notice of Settlement shall have his or her Consideration Period extended
21 by 15 calendar days.

22 **5.5. Proof of Mailing.** At least 20 court days prior to the Fairness Hearing, the Settlement
23 Administrator shall provide a declaration of due diligence and proof of mailing with regard to the
24 mailing of the Notice of Settlement to Class Counsel and Defense Counsel, which they shall in turn
25 provide to the Court.

26 **6. Responses to Notice of Settlement**

27 **6.1. Consideration Period.** Within the Consideration Period, Class Members may opt out of
28 the proposed class action settlement by submitting a Request for Exclusion (as provided below) or may

1 submit a dispute (as provided for in the Notice of Settlement) or may submit an Objection (as provided
2 below). Except as specifically provided herein, no response postmarked after the Consideration Period
3 shall be considered.

4 **6.2. Requests for Exclusion and Opt Out Rights.** Class Members will have the opportunity
5 to opt out by submitting a Request for Exclusion.

6 **6.2.1. Opt Out Procedure.** Class Members may opt out of the class action
7 settlement by mailing the Settlement Administrator a Request for Exclusion. A Request for Exclusion, to
8 be valid, must be signed and dated by the Class Member, must provide the Class Member's full name,
9 current address, current telephone number, and the last four digits of the Class Member's social security
10 number, and must include an express statement that the Class Member wishes to be excluded from the
11 terms of the class settlement. Any Request for Exclusion that does not include all of the required
12 information or that is not submitted in a timely manner will be deemed ineffective.

13 **6.2.2. Effect of Opting Out.** Any Class Member who opts out of the class
14 settlement may not submit an Objection, shall not receive any Individual Settlement Payment, and shall
15 not be bound by the releases that this Agreement entails; provided, however, any such Class Member
16 employed at any time within the Settlement Period for PAGA Members shall still receive a share of the
17 PAGA Payment and be bound by the Released PAGA Claims. Each Class Member who does not submit
18 a timely, valid Request for Exclusion shall be bound by the releases that this Agreement entails.

19 **6.2.3. Tolerance of Opt-Outs—Defendant's Right to Withdraw.** If the
20 number of Class Members who opt out by submitting Requests for Exclusion exceeds 5 percent of the
21 total number of Class Members, then Defendant may, in the exercise of its sole discretion, withdraw
22 from this Agreement. Defendant's right to withdraw expires 15 calendar days after the end of the
23 Consideration Period. If Defendant exercises its right to withdraw pursuant to this provision, Defendant
24 shall pay all Administrative Costs.

25 **6.3. Objections.** Unless otherwise provided in this Agreement, only those Class Members
26 who do not submit a Request for Exclusion shall be entitled to object to the terms of the Agreement.

27 **6.3.1. Objection Procedure.** Any written Objection must be made using the
28 procedures set forth in the Notice of Settlement, and must contain (1) the Objector's full name and

1 current mailing address, (2) the last four digits of the Objector's social security number, (3) the specific
2 reason(s) for the Objection, and (4) all evidence and supporting papers (including, without limitation, all
3 briefs, written evidence, and declarations) for the Court to consider. Objectors can also appear at the
4 Fairness Hearing either in person or through counsel. An Objection may be withdrawn at any time.

5 **6.3.2. Waiver of Objections.** Class Members who fail to submit an Objection to
6 the Settlement Administrator in the manner specified in the Notice of Settlement or who fail to appear
7 either in person or through counsel at the Fairness Hearing shall be deemed to have waived any
8 objection and shall be foreclosed from objecting to this Agreement, whether by appeal or otherwise.

9 **6.4. Proof of Responses.** At least 20 court days prior to the Fairness Hearing, the Settlement
10 Administrator will prepare a declaration to submit to the Court regarding responses to the Notice of
11 Settlement, including such information as any inability to deliver mailings because of invalid addresses,
12 the number of any Requests for Exclusion, and the employee ID numbers of those Class Members who
13 submitted timely and valid Requests for Exclusion, and the number of any Objections and a copy of all
14 documents submitted with any Objections.

15 **6.5. Binding Effect of Settlement.** Although a Class Member might not timely submit a
16 Request for Exclusion because of inability to locate the Class Member's current address, or for other
17 reasons beyond the Class Member's control, that Class Member shall nonetheless be bound by this
18 Agreement.

19 **6.6. No Interference with Class Member Responses.** Each Party agrees not to encourage
20 any Class Member to submit an Objection or a Request for Exclusion and agrees not to retaliate against
21 any Class Member for participating in this Agreement.

22 **7. Administration of Settlement Proceeds**

23 **7.1. Final Funding of Gross Settlement Amount.** Within 15 calendar days of the Effective
24 Date, Defendant will deposit the Gross Settlement Amount into the Qualified Settlement Fund.

25 **7.2. Administrative Costs.** Administrative Costs shall not exceed \$15,000, which shall be
26 deducted from the Gross Settlement Amount. The amount of Administrative Costs is not a material
27 term: if the Court approves a lesser amount, then the other terms of this Agreement shall remain in effect
28 and the difference shall become part of the Net Settlement Amount.

1 **7.3. Class Counsel Award.** Class Counsel intend to request—and Defendant agrees not to
2 oppose—a payment from the Gross Settlement Amount for (a) attorney’s fees in an amount up to one-
3 third of the Gross Settlement Amount, or \$566,666.67 and (b) litigation costs actually incurred in
4 representing the interests of the class, supported by adequate documentation, in an amount up to
5 \$35,000.

6 **7.3.1. Approval of Class Counsel Award Not Material.** Approval of the Class
7 Counsel Award is not a material term. If the Court approves only a lesser amount, then the other terms
8 of this Agreement shall remain in effect and the difference shall become part of the Net Settlement
9 Amount.

10 **7.3.2. Timing of Class Counsel Award.** The Settlement Administrator shall
11 issue the Class Counsel Award by 15 calendar days after the Gross Settlement Amount is deposited into
12 the Qualified Settlement Fund. Within 10 calendar days after the Effective Date, Class Counsel shall
13 instruct the Settlement Administrator as to how the Class Counsel Award may be paid. The Settlement
14 Administrator shall issue an appropriate Internal Revenue Service Form 1099 to Class Counsel. Class
15 Counsel shall be solely responsible for paying all applicable taxes on any Class Counsel Award and
16 shall indemnify and hold harmless Defendant from any claim or liability for taxes, penalties, or interest
17 arising as a result of the Class Counsel Award. Plaintiff, Class Counsel, and the Settlement Class waive
18 any additional claim for attorneys’ fees and costs incurred in connection with the Action, if Final
19 Approval is granted by the Court and the Effective Date passes..

20 **7.4. Service Award.** Class Counsel intends to request a payment from the Gross Settlement
21 Amount for a Service Award for the Class Representative in an amount up to \$10,000. Any Service
22 Award would be in addition to the Class Representative’s Individual Settlement Payment.

23 **7.4.1. Approval of Service Award Not Material.** Approval of a Service Award
24 is not a material term. If the Court does not approve a Service Award or approves only a lesser amount
25 than that requested, then the other terms of this Agreement shall remain in effect and the difference shall
26 become part of the Net Settlement Amount.

27 **7.4.2. Timing of Service Award.** The Settlement Administrator shall pay any
28 Service Award within 15 calendar days after the Gross Settlement Amount is deposited into the

1 Qualified Settlement Fund. The Class Representative shall be solely responsible for paying all
2 applicable taxes on any Service Award and shall indemnify and hold harmless Defendant from any
3 claim or liability for taxes, penalties, or interest arising as a result of the Service Award.

4 **7.5. PAGA Payment.** The Parties will seek approval for a PAGA Payment from the Gross
5 Settlement Amount in the amount of \$51,000, 75% of which will go to the LWDA and 25% of which
6 will go to PAGA Members. Notwithstanding anything else in this Agreement, PAGA Members who
7 submit a valid, timely Request for Exclusion shall receive a share of 25% of the PAGA Payment and
8 shall be bound by the Released PAGA Claims. Each PAGA Member shall be entitled to a share of 25%
9 of the PAGA Payment allocated to PAGA Members (“Individual PAGA Payment”), calculated as
10 described below. Defendant’s time records regarding the number of pay periods actually worked shall
11 control for purposes of the calculation. Defendant will provide to the Settlement Administrator the total
12 number of pay periods that each PAGA Member worked during the Settlement Period for PAGA
13 Members and the total number of pay periods that all PAGA Members worked during that period
14 (“Total PAGA Member Pay Periods”). Each PAGA Member’s Individual PAGA Payment shall be
15 calculated by the Settlement Administrator as follows: (1) the number of pay periods attributed to the
16 PAGA Member during the Settlement Period for PAGA Members shall be divided by the Total PAGA
17 Member Pay Periods, and (2) the result shall be multiplied by 25% of the PAGA Payment. Otherwise
18 stated, the formula for a PAGA Member is: (individual’s pay periods ÷ Total PAGA Member Pay
19 Periods) * .25 * PAGA Payment amount.

20 **7.5.1. Reduction of PAGA Payment Not Material.** Any reduction in the
21 requested PAGA Payment is not a material term. If the Court approves only a lesser amount than that
22 requested, then the other terms of this Agreement shall remain in effect and the difference shall become
23 part of the Net Settlement Amount. But some approval of a PAGA Payment is a material term. If the
24 Court does not approve a PAGA Payment, then the entire Agreement will be, at Defendant’s sole
25 discretion, void and unenforceable. If Defendant elects to void the Agreement pursuant to this
26 provision, Defendant shall pay all Administrative Costs.

27 **7.5.2. Timing of PAGA Payment.** The Settlement Administrator shall pay the
28 PAGA Members and 75% of any approved PAGA Payment to the LWDA by 15 calendar days after the

Gross Settlement Amount is deposited into the Qualified Settlement Fund. PAGA Members' Individual PAGA Payment may be combined with their Individual Settlement Payment in one check.

7.6. Individual Settlement Payments. Each Settlement Class Member shall be entitled to an Individual Settlement Payment consisting of a share of the Net Settlement Amount, calculated as described below. Defendant's time records regarding the number of workweeks actually worked shall control for purposes of calculation.

7.6.1. Number of Workweeks. Defendant will provide to the Settlement Administrator the total number of workweeks that each Settlement Class Member worked during the Settlement Period for Class Members and the total number of workweeks that all Settlement Class Members worked during that period ("Total Settlement Class Member Workweeks").

Defendant estimates that in 2019, Class Members worked approximately 58,000 shifts, in 2020 Class Members worked approximately 54,000 shifts, and in 2021 Class Members worked approximately 53,000 shifts. If these estimates are materially incorrect, Plaintiff shall have the right to void this Agreement. Defendant also estimates that between May 14, 2014 and August 20, 2023, Class Members worked approximately 120,123 weeks. If the number of weeks Class Members worked during this period is more than 10% greater than 120,123, Plaintiff shall have the right to void this Agreement.

7.6.2. Calculation of Individual Settlement Payments. Each Settlement Class Member's Individual Settlement Payment shall be calculated by the Settlement Administrator as follows: (1) the number of workweeks attributed to the Settlement Class Member during the Settlement Period for Class Members shall be divided by the Total Settlement Class Member Workweeks, and (2) the result shall be multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (individual's workweeks ÷ Total Settlement Class Member Workweeks) * Net Settlement Amount.

7.7. Timing of Individual Settlement Payments. The Settlement Administrator shall issue Individual Settlement Payments no later than 15 calendar days after the Gross Settlement Amount is deposited into the Qualified Settlement Fund.

7.8. Tax Allocation of Individual Settlement Payments and Individual PAGA Payments. Each Individual Settlement Payment will be allocated for tax purposes as follows: 80% Form 1099

1 income for statutory and civil penalties and interest, and 20% Form W-2 income for wages. Each PAGA
2 Member's share of the PAGA Payment will be allocated for tax purposes solely as Form 1099 income.
3 The Settlement Administrator will make required tax withholdings from each Individual Settlement
4 Payment for the portion allocated to Form W-2 income and will remit the withholding and the
5 employer's share of payroll taxes to the appropriate taxing authorities. The Settlement Administrator
6 shall issue any necessary IRS Form 1099 and Form W-2 statements to Class Members for their
7 respective Individual Settlement Payments.

8 **7.8.1. Responsibility for Taxes.** Settlement Class Members and PAGA Member
9 shall be solely responsible for paying all taxes due on their respective payments and shall indemnify and
10 hold harmless Defendant and the Released Parties from any claim or liability for taxes, penalties, or
11 interest arising as a result of the payments.

12 **7.8.2. Approval of Tax Allocations Not Material.** Approval of the allocations
13 of the payments set forth above is not a material term. If the Court approves a different tax allocation of
14 the payments, then the other terms of this Agreement shall remain in effect.

15 **7.9. Undeliverable or Uncashed Checks.** All Individual Settlement Payment and Individual
16 PAGA Payment checks will remain negotiable for 180 days from the date of their mailing. The
17 Settlement Administrator shall notify Class Counsel and Defense Counsel of any undeliverable and
18 uncashed checks. After 180 days from the mailing, the amount of any Individual Settlement Payment
19 and Individual PAGA Payment check that has not been cashed will be transmitted by the Settlement
20 Administrator to the California Controller's Office Unclaimed Property Fund.

21 **7.10. Certification of Completion.** Upon fully administering this Agreement, the Settlement
22 Administrator will certify the completion to the Court and counsel for all Parties in a declaration,
23 summarizing the total money paid and the status of any uncashed checks.

24 **8. Releases**

25 **8.1. Released Class Claims.** Upon the deposit of the Gross Settlement Amount in the
26 Qualified Settlement Fund established by the Settlement Administrator, by operation of the Final
27 Approval and Judgment, and except as to rights that this Agreement creates, each Settlement Class
28 Member—and each Settlement Class Member's executors, administrators, representatives, agents, heirs,

1 successors, assigns, trustees, spouses, or guardians—will release each Released Party from any claims,
2 debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorneys’ fees, damages,
3 and action or causes of action that was or could have been asserted in this Action based on or arising out
4 of the facts alleged in this Action regardless of the theory of liability, including, without limitation any
5 claims under state law, claims for failure to provide meal periods, claims for failure to provide rest
6 periods, claims for failure to pay wages, claims for failure to pay overtime and minimum wages, claims
7 failure to pay all wages due upon termination of employment, claims for failure to furnish accurate
8 itemized wage statements and maintain records, claims for failure to indemnify for business expenses,
9 and claims under the applicable Wage Order and Labor Code sections 200, 201, 202, 203, 204, 210,
10 218.6, 221, 225.5, 223, 224, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1193.6, 1194, 1197, 1197.1,
11 1198, 1999, and 2802, as well as claims under Business and Professions Code section 17200 *et seq.*
12 based on alleged violations of these Labor Code provisions. This release only applies to claims arising
13 during the Settlement Period for Class Members.

14 **8.2. Released PAGA Claims.** Upon the deposit of the Gross Settlement Amount in the
15 Qualified Settlement Fund established by the Settlement Administrator, by operation of the Final
16 Approval and Judgment, and except as to rights that this Agreement creates, each PAGA Member—and
17 each PAGA Member’s executors, administrators, representatives, agents, heirs, successors, assigns,
18 trustees, spouses, or guardians—will release each Released Party from all claims under Labor Code
19 section 2698 *et seq.* that were or could have been asserted in this Action based on or arising out of the
20 facts alleged in this Action regardless of the theory of liability, including claims predicated upon alleged
21 violations of Labor Code sections 200, 201, 202, 203, 204, 210, 218.6, 221, 225.5, 223, 224, 226, 226.3,
22 226.7, 510, 512, 558, 1174, 1174.5, 1193.6, 1194, 1197, 1197.1, 1198, 1999, and 2802. This release
23 only applies to claims arising during the Settlement Period for PAGA Members.

24 **8.3. Additional Release by Class Representative.** In addition to the release given by each
25 Settlement Class Member, the Class Representative generally releases claims against each Released
26 Party through the date of preliminary approval of this Agreement, excluding her pending claims
27 currently alleged in *Norbertha Flores Avena v. Pacific Scientific Energetic Materials Company*
28 *(California) LLC*, San Benito Superior Court Case No. CU-21-00240. This general release includes

claims arising from the Class Representative's relationship with Defendant, including, without limitation, claims for unpaid wages and liquidated damages, under the Fair Labor Standards Act, claims for discrimination, harassment, or retaliation pursuant to Title VII of the Civil Rights Act of 1964, 42 U.S.C. section 2000 *et seq.*, the California Fair Employment and Housing Act, California Gov't Code Section 12900 *et seq.*, and claims for violation of public policy. This general release by the Class Representative also includes a waiver of rights under California Civil Code Section 1542, which states:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

9. Settlement Approval Procedure

9.1. Motion for Preliminary Approval. Plaintiff will obtain a hearing to request preliminary approval of this Agreement, to obtain entry of an order that would (i) conditionally certify a settlement class for settlement purposes only, (ii) grant preliminary approval of this Agreement, (iii) approve a Notice of Settlement, (iv) enjoin Class Members from initiating or prosecuting any claim to be released under this Agreement, unless they first submit a Request for Exclusion, and (v) set a date for a Final Approval hearing.

9.1.1. Contents of Motion. The motion for preliminary approval shall include the bases for demonstrating that conditional certification of a settlement class is appropriate, and that the settlement amounts are reasonable in light of the facts and law pertaining to the claims alleged. The motion shall be accompanied by a signed declaration by Class Counsel discussing the risks of continued litigation and the decision that this Agreement serves the best interests of class members. Before filing any motion, Class Counsel will consider in good faith any comments by Defendant's counsel.

9.1.2. Notice to LWDA. Upon moving for preliminary approval, Plaintiff will also submit the proposed settlement agreement to the LWDA, pursuant to Labor Code section 2699(1)(2).

9.2. Motion for Final Approval. Class Counsel will obtain a hearing for a Motion for Final Approval, to obtain an order to (a) approve this Agreement, (b) adjudge its terms to be fair, reasonable,

1 and adequate, (c) recite the Released Class Claims and Released PAGA Claims, (d) direct that the terms
2 of the Agreement be carried out, and (e) retain jurisdiction to oversee enforcement of this Agreement.

3 **9.3. Motion for Class Counsel Award.** In connection with a Motion for Final Approval,
4 Class Counsel may move for approval of an attorneys' fees and costs award in the amount of (a) up to
5 one-third of the Gross Settlement Amount for fees and (b) up to \$35,000 for litigation costs actually
6 incurred in representing the interest of the Class, supported by adequate documentation.

7 **9.4. Motion for Service Award.** In connection with a Motion for Final Approval, Class
8 Counsel may move for approval of a Service Award for the Class Representative in an amount of up to
9 \$10,000.

10 **9.5. Entry of Judgment.** Upon Final Approval, the Parties shall request that the Court (a)
11 enter Judgment in accordance with this Agreement, without further fees or costs, (b) enter an order as to
12 the Class Counsel Award, (c) enter an order as to any Service Award, and (d) enter an order permanently
13 enjoining all members of the Settlement Class from pursuing or seeking to reopen claims that have been
14 released by this Agreement.

15 **9.5.1. Notice of Final Judgment.** Notice of Judgment will be posted on the
16 Settlement Administrator's website.

17 **9.5.2. Effect of Failure to Obtain Final Judgment.** If the Court fails to enter
18 Judgment in accordance with this Agreement, or if the Judgment is vacated or reversed, then the Action
19 shall proceed and the Parties shall split the Administrative Costs, unless the Parties jointly agree to seek
20 reconsideration or a renegotiated settlement. Defendant retains the right to contest whether any aspect of
21 the Action should be maintained as a class, collective action, or representative action, and to contest the
22 merits of the claims asserted in the Action.

23 **9.6. Appeal Rights.** Only an Objector has the right to appeal a judgment that is in accord with
24 this Agreement. The Class Representative and Class Counsel hereby waives any right to appeal any
25 judgment, ruling, or order based on this Agreement, including any Final Approval Order. This waiver
26 includes all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate
27 judgment, a motion for new trial, and any extraordinary writ, and the Judgment therefore will become
28 non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to

1 oppose any appeal or post-judgment proceeding. If an appeal is taken from the Judgment, then the time
2 to consummate this Agreement (including making payments under the Agreement) will be suspended
3 until the appeal is finally resolved.

4 **10. Miscellaneous**

5 **10.1. Execution of this Agreement.**

6 **10.1.1. Parties' Authority.** The signatories hereto represent that they are fully
7 authorized to bind the Parties to all the terms of this Agreement. The Parties agree that Class Members
8 are so numerous that it is impossible or impractical to have each Class Member execute this Agreement.
9 This Agreement may be executed on behalf of Class Members by a Class Representative.

10 **10.1.2. Counterparts.** This Agreement may be executed in counterparts, and all
11 signed and delivered counterparts together may constitute one Agreement binding upon the Parties.

12 **10.1.3. Facsimile or Scanned Signatures.** A Party may sign and deliver this
13 Agreement by signing on the designated signature block and transmitting that signature page via
14 facsimile or as an attachment to an email to counsel for the other Party. Any such signature shall be
15 deemed an original for purposes of this Agreement and shall be binding upon the Party who transmits
16 the signature page.

17 **10.2. Discharge of Obligations.** Defendant shall fully discharge its obligations to Plaintiff and
18 the Settlement Class through the remittance of the Gross Settlement Amount to the Qualified Settlement
19 Fund and payment of the employer's share of payroll taxes, regardless of whether checks representing
20 Individual Settlement Payments are actually negotiated by Settlement Class Members. Once Defendant
21 has complied with its obligation to fund the Gross Settlement Amount and employer's share of payroll
22 taxes, it will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled
23 to all protections afforded to them under this Agreement, and shall have no further obligations under the
24 terms of the agreement, regardless of what occurs with respect to the further administration of the
25 Settlement, including any requests to be included in the Settlement Class, challenges to the completeness
26 or accuracy of any Individual Settlement Payment, or issues regarding the completeness or accuracy of
27 the class data.

28 **10.3. Construction.**

1 **10.3.1. Materiality of Terms.** Except as otherwise stated herein, each substantive
2 term of this Agreement is a material term that the Parties have relied upon in making this Agreement. If
3 the Court does not approve any substantive term, or if the Court effects a material change to the
4 Agreement—such as increasing any amount that Defendant must pay—then the entire Agreement will
5 be void and unenforceable and the Parties shall split Administrative Costs. Where this Agreement states
6 that a term is not material, then the Court’s refusal to approve that term leaves all the other terms of the
7 Agreement in effect, and does not give Class Counsel or any Class Member any basis to abrogate this
8 Agreement.

9 **10.3.2. No Construction Against the Author.** Each Party participated in drafting
10 this Agreement, and its terms shall not be construed against any Party by virtue of draftsmanship.

11 **10.3.3. Exhibits Incorporated by Reference.** This Agreement shall include the
12 terms set forth in any attached exhibit. Any exhibit to this Agreement is an integral part of it.

13 **10.3.4. Headings.** The headings within this Agreement appear for convenience of
14 reference only and shall not affect the construction or interpretation of any part of this Agreement.

15 **10.3.5. Invalidity of Any Provision.** Before declaring any provision of this
16 Agreement invalid, the Court shall first attempt to construe the provision valid to the fullest extent
17 possible so as to render all provisions of this Agreement enforceable.

18 **10.3.6. Parties’ Entire Agreement.** This Agreement, with its Definitions,
19 Recitals, and Exhibits, constitutes the entire agreement on its subject matter, and supersedes all prior and
20 contemporaneous negotiations and understandings between the Parties.

21 **10.3.7. Waivers and Modifications to Be in Writing.** No waiver, modification,
22 or amendment of this Agreement shall be valid unless it appears in a writing signed by or on behalf of
23 all Parties, and then shall be valid subject to any required Court approval. Any failure to insist upon the
24 strict performance of any provision shall not be deemed a waiver of future performance of that provision
25 or of any other provision of this Agreement.

26 **10.3.8. Governing Law.** All terms of this Agreement shall be governed by and
27 interpreted according to California law.
28

1 **10.4. Inadmissibility of Settlement Documents.** The Parties agree that this Agreement and all
2 exhibits thereto shall be inadmissible in any proceeding, except a proceeding to approve or enforce this
3 Agreement. This Agreement will operate as a complete defense to—and may be used as the basis for an
4 injunction against—any proceeding attempted in breach of this Agreement.

5 **10.5. No Tax Advice.** Nothing in this Agreement is advice by Class Counsel or Defense
6 Counsel regarding taxes or taxability, and no Party is relying upon Class Counsel or Defense Counsel
7 for such advice. Each Party instead is relying exclusively on the Party’s own independent tax counsel in
8 connection with this Agreement.

9 **10.6. No Impact on Employee Benefits.** This Agreement does not affect any right or
10 obligation under any benefits plan. No payment made under this Agreement shall be considered as
11 compensation or hours worked or hours paid for purposes of determining eligibility, vesting,
12 participation, or contributions with respect to any employee benefit plan. For purposes of this
13 Agreement, the term “employee benefit plan” means every “employee benefit plan,” as defined in the
14 Employee Retirement and Income Security Act of 1974, 29 U.S.C. section 1002(3). The term also
15 includes any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare,
16 profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred
17 compensation, or any other similar benefit plan, practice, program, or policy, regardless of whether any
18 such plan is considered an employee benefit plan.

19 **10.7. No Prior Assignments or Undisclosed Liens.** The Class Representative and Class
20 Counsel represent that they have not assigned, transferred, conveyed, or otherwise disposed of any
21 Released Claim or claim to attorneys’ fees and costs award to be paid under this Agreement. The Class
22 Representative and Class Counsel further represent and warrant that there are not any liens or claims
23 against any amount that Defendant is to pay under this Agreement. The Class Representative, Settlement
24 Class Members, and Class Counsel agree to indemnify and to hold Defendant harmless from any
25 liability, losses, claims, damages, costs, or expenses, including reasonable attorneys’ fees, resulting from
26 a breach of these representations or from any lien or assignment. Nothing herein is intended to constitute
27 legal advice regarding the taxability of any amount paid pursuant to this Agreement, nor may it be relied
28 upon as such.

1 **10.8. Cooperation of the Parties.** The Parties will comply with the covenants of good faith
2 and fair dealing and otherwise cooperate as follows.

3 **10.8.1. Affirmative Duty to Cooperate.** Each Party, upon the request of another,
4 agrees to perform such acts and to execute and to deliver such documents as are reasonably necessary to
5 carry out this Agreement. In the same spirit, the Parties agree to make all reasonable efforts to avoid
6 unnecessary Administrative Costs.

7 **10.8.2. Refraining from New Proceedings and Stay of Litigation.** The Parties
8 agree that, upon the execution of this Agreement, the Action shall be stayed except any proceeding
9 needed to obtain Preliminary Approval, Final Approval, or Judgment. The Parties further agree that
10 upon the execution of this Agreement, pursuant to Code of Civil Procedure § 583.330(a), the time within
11 which the Action must be brought to trial under Code of Civil Procedure § 583.310 shall be extended for
12 the period between the date on which the Agreement is fully executed to the date on which Judgment is
13 entered. If the Court denies Preliminary Approval or Final Approval of the Agreement, the Parties agree
14 that the period of time between the date on which the Agreement is fully executed through the date on
15 which Preliminary Approval or Final Approval is denied shall be excluded from the computation of the
16 time within which the Action must be brought to trial pursuant to Code of Civil Procedure § 583.310.

17 **10.8.3. No Solicitation of Objections or Opt Outs.** The Parties represent that
18 they have not solicited, encouraged, or assisted—and will not solicit, encourage, or assist—Objections
19 or Requests for Exclusion.

20 **10.8.4. Waiver of Right to Object by Class Representative.** The Class
21 Representative, by signing this Agreement, agrees not to object to any term of this Agreement.

22 **10.9. Confidential Information.** Class Counsel will destroy all confidential documents and
23 information provided by Defendant within 60 calendar days of this Agreement's completion. Class
24 Counsel further agree that no information provided by Defendant shall be used for any purpose other
25 than prosecution of this Action.

26 **10.10. No Media Announcements or Other Undue Publicity.** No Party shall make any public
27 statement to the news, print, electronic, or Internet media concerning this Agreement, and the Parties
28 shall decline to respond to media inquiries concerning this Agreement. Nothing in this Agreement,

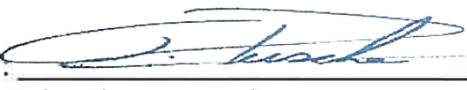
1 however, prevents Class Members from discussing or disclosing information about unlawful acts in the
2 workplace, such as harassment or discrimination or any other conduct that they have reason to believe is
3 unlawful, or discussing with any person or persons wages, hours or other terms and conditions of
4 employment, nor from engaging in lawful protected activity with or on behalf of coworkers regarding
5 same. Class Counsel shall not publicize the settlement in their marketing materials, website, or other
6 advertising media. Nothing in this Agreement prevents Class Counsel from placing in their marketing
7 materials, website, or other advertising media a comment that Class Counsel secured payment for their
8 clients in this Action, so long as any such comment does not mention the name of this case, the name of
9 any Party or Class Member, or the identity of Defense Counsel. Should Plaintiff or Class Counsel
10 intentionally breach this provision, Plaintiff shall forfeit to Defendant the full amount of her Service
11 Award. Defendant may also enforce this provision through an action for injunctive relief. Plaintiff
12 waives any obligation to post a bond in connection with any such action. Notwithstanding the foregoing,
13 Class Counsel can post on his website that the “Lawsuit Settled” and refer questions to the Settlement
14 Administrator.

15 **10.11. Disputes.** If the Parties dispute the interpretation of this Agreement, then they will
16 attempt to resolve the dispute informally. If those efforts fail, they will mediate the dispute. The Parties
17 will split the costs of the mediator, and the Parties will bear their own fees and costs. The Court shall
18 retain jurisdiction over enforcement and implementation of this Agreement, and can require specific
19 performance, although the Court lacks jurisdiction to modify the terms of this Agreement. If a Party
20 institutes legal action to enforce this Agreement, then the prevailing Party will be entitled to recover
21 attorney’s fees and costs incurred in vindicating that Party’s position.
22
23
24
25
26
27
28

1 **SO AGREED.**

2 DATED: February 1, 2024

SEYFARTH SHAW LLP

3
4 By: 

5 Timothy M. Rusche
6 Attorneys for Defendant
7 PACIFIC SCIENTIFIC ENERGETIC MATERIALS
8 COMPANY (CALIFORNIA) LLC

9 DATED: *January 17, 2024*

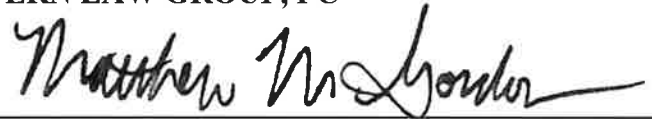
**PACIFIC SCIENTIFIC ENERGETIC MATERIALS
COMPANY (CALIFORNIA) LLC**

10 By: 

11 Its: President
12 Corey Christmann

13 DATED: December 19, 2023

MATERN LAW GROUP, PC

14 By: 

15 Matthew J. Matern
16 Matthew W. Gordon
17 Attorneys for Plaintiff
18 NORBERTHA FLORES AVENA,
19 individually and on behalf of others similarly
20 situated

21 DATED: **Dec 19, 2023**

22 By: 
23 Norberta Jimenez (Dec 19, 2023 16:16 PST)

24 NORBERTHA FLORES AVENA,
25 individually And on behalf of others similarly
26 situated

27 98701606v.3

EXHIBIT A

You are not being sued. This notice affects your rights. Please read it carefully.

To: All individuals whom *Pacific Scientific Energetic Materials Company (California) LLC* (“PacSci”) employed in California as nonexempt employees at any time from May 14, 2016 through **Preliminary Approval or December 19, 2023**.

The Honorable J. Omar Rodriguez of the Superior Court for the State of California, County of San Benito has granted preliminary approval of a proposed settlement (“Settlement”) of this action (“Class and Representative Action”).

THE COURT HAS NOT DETERMINED THAT PACSCI VIOLATED THE LAW. PACSCI DENIES THAT IT VIOLATED ANY LAWS OR THAT IT HARMED ITS EMPLOYEES IN ANY WAY. IT IS SETTling THIS LAWSUIT TO AVOID THE EXPENSE AND BURDEN OF FURTHER LITIGATION.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class and Representative Action, the key terms of the Settlement, and your rights and options with respect to the Settlement. **You have received this notice because PacSci’s records indicate that you are a Class Member and you may be entitled to a settlement payment.**

Unless you choose to opt out of the Settlement by following the procedures described below, you will be deemed a Settlement Class Member and, if the Court grants final approval of the Settlement, you will be mailed a check for your share of the settlement fund. However, all PAGA Members (as defined below) shall receive a portion of the PAGA Payment regardless of whether they opt out of the Settlement. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at **:00 .m. on , 2024** in Courtroom 1 of the Superior Court for the State of California, County of San Benito, located at 450 Fourth Street, Hollister, CA 95023. You are not required to attend the Hearing, but you are welcome to do so. The Court may change the Final Approval Hearing date or time without notice.

Summary of the Litigation

Plaintiff, Norbertha Flores Avena on behalf of herself and on behalf of other individuals whom PacSci employed as nonexempt employees in California, claims that PacSci violated California state labor laws as a result of its alleged: (1) failure to provide meal periods, (2) failure to provide rest periods, (3) failure to pay minimum wages, (4) failure to pay overtime wages, (5) failure to timely pay wages due upon separation of employment, and (6) failure to furnish accurate itemized wage statements and maintain records. She also alleges unfair competition and violation of the Private Attorneys General Act of 2004 (“PAGA”).

After the exchange of relevant information and evidence, the Parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On September 20, 2023, the Parties participated in a mediation with Paul Grossman, an experienced and well-respected class action mediator. With Paul Grossman’s guidance, the Parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys approved by the Court to represent the class, Matthew J. Matern and Matthew W. Gordon of Matern Law Group, PC (“Class Counsel”), has investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believes that the claims alleged in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believes the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members and PAGA Members.

PacSci denies that it violated the law in any way. It has denied, and continues to deny, the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff's claims. By agreeing to settle, PacSci is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class, collective, or representative action. PacSci has agreed to settle the case as part of a compromise with Plaintiff.

Summary of the Proposed Settlement Terms

Plaintiff and PacSci have agreed to settle the class claims in exchange for a Gross Settlement Amount of \$1,700,000. This amount is inclusive of: (1) Individual Settlement Payments to all Participating Class Members; (2) any Service Award to the Class Representative (Up to \$10,000); (3) the Class Counsel Award (attorney's fees in an amount up to \$566,666.67 and litigation costs in an amount up to \$35,000); (4) the PAGA Payment (\$51,000), and (5) reasonable settlement administration expenses not to exceed \$15,000. After deducting the settlement administration expenses, the Class Counsel Payment, the Service Award, and the PAGA Payment, a Net Settlement Amount of approximately \$1,022,333.33 will be allocated to Class Members who do not opt out of the settlement ("Settlement Class Members"). PacSci will pay its share of employer payroll taxes separately, and no portion of the Gross Settlement Amount shall revert to PacSci.

Each Settlement Class Member's settlement payment will be based of workweeks each Settlement Class Member worked as a nonexempt employee at PacSci's California facility in Hollister from May 14, 2016 through [Preliminary Approval or December 19, 2023]. The formula for calculating settlement payments is as follows:

- (a) PacSci will calculate the total number of workweeks that each Settlement Class Member worked ("Individual Workweeks") and the total number of workweeks that all Settlement Class Members worked ("Total Settlement Class Member Workweeks") from May 14, 2016 to [Preliminary Approval or December 19, 2023].
- (b) Each Settlement Class Member's share of the Net Settlement Amount is the number of workweeks attributed to the Settlement Class Member during the Settlement Period, divided by Total Settlement Class Member Workweeks and multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Settlement Class Member is: $(\text{Individual Workweeks} \div \text{Total Settlement Class Member Workweeks}) * \text{Net Settlement Amount}$.

The Parties also will seek approval for a PAGA Payment from the Gross Settlement Amount in the amount of \$51,000, 75% of which will go to the Labor & Workforce Development Agency, which enforces the Private Attorney General Action of 2004, and 25% of which will go to "PAGA Members," which refers to all individuals whom PacSci employed in California as nonexempt employees at any time from March 10, 2019 through [Preliminary Approval or December 19, 2023] (the "Settlement Period for PAGA Members"). The formula for calculating Individual PAGA Payments is as follows:

- (a) PacSci will calculate the total number of pay periods that each PAGA Member worked ("Individual Pay Periods") and the total number of pay periods that all PAGA Members worked ("Total PAGA Member Pay Periods") from March 10, 2019 to [Preliminary Approval or December 19, 2023].
- (b) Each PAGA Member's share of the PAGA Payment is the number of pay periods attributed to the PAGA Member during the Settlement Period for PAGA Members, divided by Total PAGA Member Pay Periods and multiplied by 25% of the PAGA Payment. Otherwise stated, the formula for a PAGA Member is: $(\text{Individual Pay Periods} \div \text{Total PAGA Member Pay Periods}) * .25 * \text{PAGA Payment amount}$.

Each settlement payment will be reduced by any required legal deductions.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

180 days after settlement checks are delivered, the associated funds from all uncashed or undeliverable checks will be transmitted by the Settlement Administrator to the California Controller's Office Unclaimed Property Fund.

According to PacSci's records, you worked during the Settlement Period for Class Members as a nonexempt employee for a total of [REDACTED] Individual Workweeks. According to PacSci's records, you worked during the Settlement Period for PAGA Members as a nonexempt employee for a total of [REDACTED] Individual Pay Periods.

Accordingly, if the Settlement is finally approved, your estimated payment would be approximately \$ [REDACTED]. If you believe the information provided above is incorrect, please promptly contact the Settlement Administrator at [REDACTED]. If you dispute the information stated above, PacSci's records will control unless you are able to provide documentation that establishes otherwise.

IRS Forms W-2 and 1099 will be distributed to Settlement Class Members and the appropriate taxing authorities reflecting the payments they receive under the Settlement. Each Individual Settlement Payment will be allocated for tax purposes as follows: 80% Form 1099 income for statutory and civil penalties and interest, and 20% Form W-2 income for wages. Each PAGA Member's share of the PAGA Payment will be allocated for tax purposes solely as Form 1099 income

Why Is This Being Referred to as a "Class and Representative Action"

The Settlement that you are receiving notice about involves a class action and representative action. The key distinction between a "class action" and a "representative action" is their requirements for how you participate in or how or if you can exclude yourself from the settlement.

If you wish to participate in the class action settlement, which is explained in this Notice and the Settlement Agreement, you do not have to do anything. You will receive money under the class action settlement by doing nothing. If you want to opt out of, or request to be excluded from and not bound by, the class action settlement, then you must submit your intention to opt out of the settlement in the manner and timeframe described in this Notice and in the Settlement Agreement. If you opt out of the settlement, you still will receive a PAGA payment and will be bound by the release of PAGA claims that is part of the settlement.

If the Court approves the Settlement you will receive a PAGA Payment and do not have the option to exclude yourself and you will be bound by the PAGA Release of claims.

In sum, for the class action settlement, you do not have to do anything to get the money and be bound by the release of class action claims stated in this Notice and Settlement Agreement. For the PAGA Payment, you do not need to do anything to receive your payment and you will be bound by the PAGA release.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you may exclude yourself from participating in the Class Action by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Notice of Class and Representative Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your (i) full name, current mailing address, current telephone number, date, and signature; (ii) the last four digits of your social security number; and (iii) an express statement that you wish to be excluded from the Class Settlement.

Settlement Administrator

c/o _____

The written request to be excluded must be postmarked not later than _____, 2024. If you submit a request for exclusion that is not postmarked by _____, 2024, your request for exclusion will be rejected, and you will be included in the settlement class.

If you do not opt out of the Settlement but then later do not cash your settlement checks, you will be bound by the class action settlement. If you opt out of the settlement, you still will receive a PAGA Payment and will be bound by the release of PAGA claims that is part of the settlement.

Option 3 – Object to the Settlement

If you decide to object to the Settlement because you find any portion of it unfair or unreasonable, including the requested Class Counsel Award or Service Award, you must submit an objection stating why you object to the settlement. Your objection must provide: (1) your full name and current mailing address, (2) the last four digits of your social security number, (3) the specific reason(s) for the Objection, (4) all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the Court to consider, and (5) your signature or your counsel's signature. The objection must be mailed to the administrator at [administrator's address] and postmarked by _____, 2024..

By submitting an objection, you are not excluding yourself from the Settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the Settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Approval Hearing set for _____ at _____ a.m./p.m. in Courtroom 1 of the Superior Court for the State of California, County of San Benito, located at 450 Fourth Street, Hollister, CA 95023, and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing. The Court may change the hearing date or time without notice.

If you choose **Option 1 and do nothing**, and if the Court grants final approval of the Settlement, then you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the following claims ("Released Class Claims):

Each Settlement Class Member—and each Settlement Class Member's executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians—will release each Released Party from any claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorneys' fees, damages, and action or causes of action that was or could have been asserted in this Action based on or arising out of the facts alleged in this Action regardless of the theory of liability, including, without limitation any claims under state law, claims for failure to provide meal periods, claims for failure to provide rest periods, claims for failure to pay wages, claims for failure to pay overtime and minimum wages, claims failure to pay all wages due upon termination of employment, claims for failure to furnish accurate

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

itemized wage statements and maintain records, claims for failure to indemnify for business expenses, and claims under the applicable Wage Order and Labor Code sections 200, 201, 202, 203, 204, 210, 218.6, 221, 225.5, 223, 224, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1193.6, 1194, 1197, 1197.1, 1198, 1999, and 2802, as well as claims under Business and Professions Code section 17200 *et seq.* based on alleged violations of these Labor Code provisions. This release only applies to any claims arising during the Settlement Period for Class Members.

“Released Parties” refers to PacSci and each and all of its current or former subsidiaries, parents, affiliates, joint ventures, predecessors, insurers, agents, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans’ respective current or former trustees and administrators, agents, employees, and fiduciaries.

Further, upon approval of the settlement, and payment of the Gross Settlement Amount, if you are a PAGA Member, you will be bound by the Released PAGA Claims, which includes a release of the following:

Each PAGA Member—and each PAGA Member’s executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians—will release each Released Party from all claims under Labor Code section 2698 *et seq.* that were or could have been asserted in this Action based on or arising out of the facts alleged in this Action regardless of the theory of liability, including claims predicated upon alleged violations of Labor Code sections 200, 201, 202, 203, 204, 210, 218.6, 221, 225.5, 223, 224, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1193.6, 1194, 1197, 1197.1, 1198, 1999, and 2802. This release only applies to claims arising during the Settlement Period for PAGA Members.

If you choose **Option 2 and opt out**, then you will no longer be a Class Member, and you will (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Class Claims, (2) be barred from filing an objection to the settlement, and (3) not receive an Individual Settlement Payment. However, if you are a PAGA Member who worked during the Settlement Period for PAGA Members, you will still receive a PAGA Payment.

If you choose **Option 3 and object**, then you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Claims.

How Will I Get Paid?

If the Court grant final approval of the Settlement, the Administrator will send a single check to every Settlement Class Member who does not opt out of the Settlement. The single check will combine the Individual Settlement Payment and, if you qualify as a PAGA Member, the Individual PAGA Payment.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible at [Administrator’s address].

Additional Information

This Notice of Class and Representative Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the Settlement Agreement, and other papers filed in the case. A copy of the Settlement Agreement may be obtained from the Settlement

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Administrator free of charge. All inquiries by Class Members regarding this Class Notice or the settlement should be directed to the Settlement Administrator or Class Counsel.

MATERN LAW GROUP, PC
Matthew J. Matern
Matthew W. Gordon
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266
Telephone: (310) 531-1900

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, PACSCI OR PACSCI'S ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-***-***-****