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22

18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
19 **FOR THE COUNTY OF LOS ANGELES**
20

21 COREY SMITH, on behalf of himself and all
22 others similarly situated,

23 Plaintiffs,

24 vs.

25 VELOCITY AEROSPACE GROUP, INC. and
26 DOES 1 through 100, inclusive,

27 Defendants.
28

Case No.: 20STCV03159

**JOINT STIPULATION RE CLASS
ACTION SETTLEMENT**

Assigned to Hon. Yvette M. Palazuelos Dept. 9

Action Filed: January 27, 2020
FAC Filed: July 14, 2020
SAC Filed: October 21, 2020

1 Subject to final approval by the Court, which counsel and parties agree to pursue and
2 recommend in good faith, Plaintiff COREY SMITH individually and on behalf of all employees
3 similarly situated, on the one hand (“Plaintiff”), and Defendant VELOCITY AEROSPACE
4 GROUP, INC. (“Defendant”) hereby agree to the following binding non-reversionary settlement
5 of the proposed class and representative action case of *Corey Smith v. Velocity Aerospace*
6 *Group, Inc.*, Los Angeles County Superior Court Case No. 20STCV03159.

7 **I. DEFINITIONS**

8 As used herein, the following terms are defined as:

9 1. “Action” means, and refers to, the case captioned *Corey Smith v. Velocity*
10 *Aerospace Group, Inc.*, Los Angeles County Superior Court Case No. 20STCV03159.

11 2. “Agreement,” “Settlement,” or “Stipulation” mean, and refer to, this Stipulation
12 and Settlement of Class Action Claims.

13 3. “Aggregate Pay Period Number” means, and refers to, the sum of all of the
14 Participating Class Members’ Total Pay Periods which will be used to calculate the Per-Pay-
15 Period Settlement Amounts to be used to calculate Participating Class Members’ Individual
16 Settlement Payments.

17 4. “Attorneys’ Fees and Cost Award” means, and refers to, the amount authorized
18 by the Court to be paid to Class Counsel for the services they have rendered and expenses they
19 have incurred in prosecuting the Action. As set forth infra herein, Class Counsel shall request,
20 and Defendant will not oppose, an award of attorneys’ fees of up to fifty-eight thousand, three
21 hundred and thirty-three dollars and twenty-eight cents (\$58,333.28) or one-third of the Total
22 Maximum Settlement Fund) and a Cost Award of up to \$12,500.00. The Attorneys’ Fees and
23 Cost Award shall come out of the Total Maximum Settlement Fund and will not increase the
24 amount of the Total Maximum Settlement Fund. Class Counsel will be issued IRS Form 1099
25 by the Settlement Administrator for the Attorneys’ Fees and Cost Award.

26 5. “Claims” means, and refers to, all allegations of wrongful conduct which were or
27 could have been asserted in this Action, including allegations that Defendant failed to provide
28 meal periods; failed to authorize and permit rest breaks; failed to pay straight time

1 compensation; failed to pay overtime compensation; failed to provide itemized wage
2 statements; failed to keep accurate payroll records; failed to pay waiting time penalties; failed to
3 pay wages upon termination; unfair business practices; failed to reimburse business expenses
4 and associated penalties. In addition, “Claims” also means and refers to claims for any and all
5 penalties pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698, et seq.
6 (“PAGA”), alleged in or arising out of the aforementioned claims, and/or claims that are or
7 could have been asserted based on the facts alleged in the Action.

8 6. “Settlement Administrator” means, and refers to Simpluris.

9 7. “Settlement Administration Costs” means, and refers to, the amount that will be
10 paid to the Settlement Administrator, and includes all costs incurred in administering the
11 Settlement, which will be paid from the Total Maximum Settlement Fund, as defined in Section
12 I, Paragraph 39, infra. The Parties agree to work in good faith to minimize, as much as
13 possible, the Settlement Administration Costs, estimated to be \$7,500.00. Defendant will not
14 object to any application for approval of the Settlement Administration Costs, provided the
15 Settlement Administration Costs are paid out of the Total Maximum Settlement Fund and will
16 not increase the Total Maximum Settlement Fund.

17 8. “Class” and “Class Member” means, and refers to, a member of the class
18 conditionally certified for settlement purposes only during the applicable Settlement Period,
19 consisting of all current and former non-exempt employees who worked for Defendant at its
20 Burbank facility in California at any time during the Settlement Period. “Settlement Period”
21 means, and refers to, the period from January 27, 2016 through the date of the signed Court
22 order granting preliminary approval of Class Action Settlement, as defined in ¶ 37. Defendant
23 represents that from January 27, 2016 through February 15, 2021, there were approximately 77
24 Class Members comprising this Class for purposes of this Settlement. If the actual number of
25 Class Members from January 27, 2016 through February 15, 2021 should exceed 77 by more
26 than five percent (5%), then the parties agree that the Gross Settlement shall be increased by the
27 percentage difference beyond five percent (5%) between the certified amount of 77 and the
28

1 actual number of Class Members or, in the alternative, Defendant in its sole discretion may void
2 this Settlement.

3 9. “Class Counsel” and “Plaintiff’s Counsel” means and refers to Haig Kazandjian
4 and Cathy Gonzalez of Haig B Kazandjian Lawyers APC.

5 10. “Class/PAGA Member List and Data Report” means a list of current and former
6 non-exempt employees of Defendant’s Burbank facility that Defendant will diligently and in
7 good faith compile from its internal employee information database and provide to the
8 Settlement Administrator within fifteen (15) days of Preliminary Approval of the Settlement.
9 The Class List and Data Report shall be in excel format, and shall include each Class Member’s
10 full name; employee ID while employed with Defendant; the Total Pay Periods worked by each
11 Class Member as a non-exempt employee during the Settlement Period; the Total Pay Periods
12 worked by each PAGA Member as a non-exempt employee during the PAGA Period; any other
13 relevant information needed to calculate settlement payments; last known home address; and
14 Social Security number. Because Social Security numbers are included in the list, the
15 Settlement Administrator will maintain the list in confidence, and shall only access and use the
16 list to administer the settlement in conformity with the Court’s orders.

17 11. “Complaint” means, and refers to the operative complaint filed by the Named
18 Plaintiff in this Action titled *Corey Smith v. Velocity Aerospace Group, Inc.*, Los Angeles
19 County Superior Court Case No. 20STCV03159.

20 12. “Court” means, and refers to, the Superior Court of the State of California for the
21 County of Los Angeles.

22 13. “Defendant” means, and refers to Velocity Aerospace Group, Inc.

23 14. “Defendant’s Counsel” or “Defense Counsel” means Jonathan M. Brenner,
24 Kevin D. Sullivan, and Jonathan Assia, of Epstein Becker & Green, P.C.

25 15. “Effective Date” means the following: (a) if no one objects to the settlement,
26 then the Effective Date will be the first day after service by Plaintiff on Defendant of the Final
27 Order and Judgment following a Final Fairness and Approval hearing; (b) if a Class Member
28 timely objects to the settlement, and if an appeal, review, or writ is not sought from the Final

1 Order and Judgment, then the Effective Date will be sixty-one (61) days after service of the
2 Final Order and Judgment by Plaintiff on Defendant and any Objectors; or (c) if a Class
3 Member timely objects to the settlement, and if an appeal, review or writ is sought from the
4 Final Order and Judgment, then all of Defendant's remaining obligations under this Agreement
5 will be stayed until the day after the Judgment is affirmed, or the appeal or writ is dismissed or
6 denied (or the time for filing an appeal or writ expires) which day will then be the Effective
7 Date.

8 16. "Excluded Class Members" means, and refers to, all Class Members, if any, who
9 timely and validly submit a written request to be excluded from the Class on or before the
10 Objection/Exclusion Deadline Date.

11 17. "Final Approval" means, and refers to, the Court's order granting final approval
12 of the Settlement.

13 18. "Final Approval Date" means, and refers to, the date on which the Court's Final
14 Approval Order is entered.

15 19. "Final Approval Hearing/Settlement Fairness Hearing" means, and refers to, the
16 hearing at which the Court considers whether to approve the Settlement and to enter the Final
17 Approval Order.

18 20. "Final Approval Order" means, and refers to, the Court's Final Order on Final
19 Approval and Judgment, which shall be proposed in a form to be agreed upon by the Parties
20 prior to the hearing on the Motion for Final Approval.

21 21. "General Release" means, and refers to, the release in which the Named
22 Plaintiff, in his individual capacity and with respect to his individual claims only, and in
23 exchange for his Service Award, agrees to release the Released Parties from all claims,
24 demands, rights, liabilities and causes of action of every nature and description whatsoever,
25 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
26 violation of any collective bargaining agreement, and/or any state or federal statute, rule or
27 regulation arising out of, relating to, or in connection with any act or omission by or on the part
28

1 of any of the Released Parties committed or omitted during the Settlement Period Date,
2 including a waiver of Civil Code §1542. Civil Code section 1542 reads as follows:

3 **Section 1542. [General Release – Claims Extinguished.] A**
4 **general release does not extend to claims that the creditor or**
5 **releasing party does not know or suspect to exist in his or her**
6 **favor at the time of executing the release and that, if known by**
7 **him or her, would have materially affected his or her settlement**
8 **with the debtor or released party.**

9 22. “Individual Settlement Payment” means, and refers to, the amount to be paid to
10 each individual Participating Class Member from the Net Settlement Amount. The estimated
11 Individual Settlement amount shall be indicated on the Notice. Individual Settlement Payment
12 for each individual Participating Class Member will result from the calculations set forth in ¶
13 67(a), infra, less all applicable state and federal withholding taxes, including FICA, FUTA and
14 SDI contributions and any other applicable payroll deductions required by law as a result of the
15 payment of the amount allocated to such Participating Class Members under the terms of this
16 Stipulation. The Settlement Administrator in compliance with ¶ 67(a) below, will determine the
17 true and accurate amount each Class Member will receive by dividing the Net Settlement
18 Amount by the Aggregate Pay Period Number to calculate the Per-Pay-Period Settlement
19 Amount. The estimated Per-Pay-Period Settlement Amount shall be indicated on the Notice.

20 23. “Named Plaintiff” means Corey Smith.

21 24. “Net Settlement Amount” or “NSA” means, and refers to, the funds available to
22 be distributed to Participating Class Members from the Total Maximum Settlement Fund
23 (\$175,000.00, defined in ¶ 39 below) after payment of any Attorneys’ Fees (\$58,333.28) and
24 Cost Awards (up to \$12,500.00), Service Awards (\$5,000.00 to Representative Plaintiff),
25 Settlement Administration Costs (approximately \$7,500.00), and the PAGA Payment, defined
26 in ¶ 27(c) below (\$17,500.00). Thus, the NSA is approximately \$74,166.72.

1 25. “Notice” or “Notice Packet” means, and refers to, the “Notice of Class Action
2 Settlement” that the Court directs to be sent via regular mail to all Class Members (substantially
3 in the forms annexed hereto as **Exhibit 1**).

4 26. “Objection/Exclusion Deadline” means, and refers to, the date no later than
5 forty-five (45) calendar after the date the Notice Packets are mailed (judged by the postmark
6 date) to Class Members by the Settlement Administrator, on or before which a Class Member
7 may (1) validly submit a Notice of Objection, (2) submit a Request for Exclusion, or (3)
8 challenge with documentary evidence his or her Total Pay Periods, with an additional fifteen
9 (15) days for re-mailed notices.

10 27. PAGA:

11 a. “PAGA Members” means all current and former non-exempt employees of
12 Defendants who were employed by Defendant in the State of California at any time during the
13 PAGA Period.

14 b. “PAGA Period” means the period from February 20, 2019 through the date of
15 the signed Court order granting preliminary approval of the PAGA Settlement.

16 c. “PAGA Payment” means, and refers to seventeen thousand, five hundred dollars
17 (\$17,500.00) of the Total Maximum Settlement Fund, which constitutes penalties pursuant to
18 PAGA, Labor Code section 2699(i). It will be distributed as follows: 25% to PAGA Members,
19 which equates to approximately \$4,375.00 to PAGA Members, and 75% to the California Labor
20 and Workforce Development Agency, which equates to approximately \$13,125.00. Thus, each
21 PAGA Member shall receive part of the PAGA Member-portion of the PAGA Payment on
22 a pro-rata basis based on the number of eligible pay periods worked by each PAGA employee.
23 Plaintiff and the PAGA Members shall receive a pro rata share of the twenty-five percent (25%)
24 of the PAGA Penalty Fund allocated to PAGA Members (estimated to be \$4,375.00). Plaintiff
25 and each Aggrieved Employee’s Individual Settlement Payment shall be determined by
26 multiplying this 25 percent of the PAGA Payment allocated to PAGA Members by the ratio of
27 (a) the number of Eligible Pay Periods worked by that employee to (b) the total number of
28

1 eligible pay periods worked by all PAGA Members (including Plaintiff). All PAGA Settlement
2 Payments made to PAGA Members will be reported on an IRS Form 1099. All PAGA Members
3 shall automatically receive their portion of the PAGA Penalties regardless of their decision to
4 opt-out of the Settlement if the PAGA payment is approved by the Court.

5 28. “Participating Class Member” means, and refers to, any and all Class Members
6 who are not Excluded Class Members.

7 29. “Parties” means, and refers to, Defendant, the Named Plaintiff, and the
8 Participating Class Members.

9 30. “Preliminary Approval Order” means, and refers to, the Order issued by the
10 Court preliminarily approving the terms of the Settlement set forth in this Stipulation, in a form
11 to be agreed upon by the Parties prior to the hearing on the Motion for Preliminary Approval.

12 31. “Preliminary Approval Date” means, and refers to, the date that the Court enters
13 the Preliminary Approval Order.

14 32. “Preliminary Approval Hearing” means, and refers to, the hearing on Named
15 Plaintiff’s Motion for Preliminary Approval, as discussed herein.

16 33. “Qualified Settlement Fund” means, and refers to, the fund to be established by
17 the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 into which
18 Defendant will deposit the Total Maximum Settlement Fund within fifteen (15) days following
19 the Effective Date.

20 34. Released Claims. The following Released Claims are effective as of the date that the
21 Settlement Administrator, Simpluris, mails out the Settlement Checks to the Participating Class
22 Members and PAGA Members:

23 a. “Released Class Members’ Claims” means all claims, rights, demands, damages,
24 liabilities and causes of action, , contingent or vested, in law or in equity, arising at any time
25 during the Settlement Period for unpaid wages or other compensation, and/or related penalties,
26 interest, costs, attorneys’ fees, and/or injunctive or other equitable remedies, allegedly owed or
27 available, against Defendant and its respective former, current and future parent companies,
28

1 subsidiaries (including Velocity Aerospace – Burbank, Inc. and excluding Velocity Aerospace –
2 E.D.N. Aviation, Inc.), affiliates, shareholders, members, agents (including, without limitation,
3 any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or
4 future officers, directors and employees) predecessors, successors, and assigns, allegedly owed
5 or available or arising out of the allegations and operative facts asserted in the operative
6 complaint , or which could have been asserted in the Action based on the alleged facts in the
7 operative complaint, including: (1) failure to pay straight and overtime compensation; (2)
8 failure to provide meal periods; (3) failure to authorize and permit paid rest periods; (4) failure
9 to provide itemized wage statements; (5) failure to pay waiting time penalties; (6) failure to
10 reimburse for business expenses; and (7) failure to pay minimum wages; (8) unlawful business
11 practices. The release shall include release of claims under California Labor Code sections 201,
12 202, 203, 204, 210, 223, 510, 510(a), 1194, 1194.2, 1194(a), 1197, 1198, 1199, 218, 218.5,
13 218.6, 226.7, 226.7(a), 512, 516, 2800, 2802, California Business & Professions Code section
14 17200 *et seq.*, Sections 11, 12(A) – (B) of the IWC Wage Order(s), any and all claims for
15 attorneys’ fees and costs, and/or California Code of Civil Procedure section 1021. Class
16 Members who are not PAGA Members are not releasing PAGA Claims, as defined below. Only
17 PAGA Members, including those Class Members who have opted out of the Settlement, will be
18 releasing PAGA Claims, regardless of whether these Class Members opt out of the Settlement.
19 PAGA Members cannot opt out of the PAGA portion of the Settlement, including the PAGA
20 Release.
21

22 b. “Released PAGA Claims” means any and all claims for civil penalties under the
23 PAGA alleged in the operative Complaint, or that could have been premised on the facts alleged
24 in the Complaint or LWDA letter (which is attached hereto as **Exhibit 2**), that arose during the
25 PAGA period, including: failure to provide overtime and double-time, failure to provide rest
26 and meal breaks, failure to pay minimum wages, failure to provide accurate employment
27 records, failure to pay all wages on time, failure to timely pay upon discharge or resignation,
28

1 violation of the Wage Theft Prevention Act, failure to reimburse necessary expenditures, failure
2 to provide notice of paid sick time and accrual, and penalties pursuant to PAGA. The release
3 shall include release of claims under PAGA based on alleged violation of California Labor
4 Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1,
5 1198, 2800, 2802, 2699, 2699(a), 2699.3(a), 2699.3(c), 2699.5, and 558. It is understood and
6 acknowledged that the PAGA Release is binding upon Plaintiff and all PAGA Members during
7 the PAGA Period, defined as February 20, 2019, through the date of the signed Court order
8 granting preliminary approval of the PAGA Settlement. PAGA Members, including those Class
9 Members who have opted out of the Settlement, are not able to opt out of the PAGA portion of
10 the Settlement, including the released PAGA Claims, defined herein. However, Class Members
11 who are not also PAGA Members, are not releasing claims for PAGA Penalties.

12
13 c. Any Participating Class Member who timely cashes their Individual Settlement
14 Payment (and, in so doing, becomes a FLSA Settlement Class Member) will also be deemed to
15 have released any claims they may have under the Fair Labor Standards Act, 29 U.S.C. §§ 201,
16 et seq. related to the claims alleged in this action. The check mailed to the Participating Class
17 Members will include the following language related to the FLSA release: “By cashing or
18 depositing this check, I hereby opt into the FLSA Settlement Class in the action entitled Corey
19 Smith, et. al. v. Velocity Aerospace Group, Inc., LASC Case No. 20STCV03159, and thereby
20 release any related claims to this action that I may have under the Fair Labor Standards Act, 29
21 U.S.C. §§ 201, et seq. as explained in the Notice. If I do not timely cash this check, I will still be
22 subject to the remainder of the Release as explained in the Notice.”.”

23 35. “Released Parties” means, and refers to, Defendant Velocity Aerospace Group,
24 Inc., and its successors in interest, past, present, or future parents, subsidiaries and affiliated
25 corporations (including Velocity Aerospace – Burbank, Inc. and excluding Velocity Aerospace
26 – E.D.N. Aviation, Inc.), and their past, present, or future officers, directors, shareholders,
27 employees, agents, principals, heirs, joint employers, representatives, accountants, auditors,
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1 attorneys, consultants, insurers, and reinsurers, and their respective successors and predecessors
2 in interest, subsidiaries, affiliates, parents, and each of their company-sponsored employee
3 benefit plans, and all of their respective officers, directors, employees, administrators,
4 fiduciaries, trustees, and agents.

5 36. "Service Award" means, and refers to, the amount that the Court authorizes to be
6 paid to the Named Plaintiff over and above his Individual Settlement Payment, in recognition of
7 his efforts in assisting with the prosecution of the Action on behalf of the Class Members and in
8 return for executing a General Release of all Claims against Released Parties. Named Plaintiff
9 will request, and Defendant will not oppose, a Service Award up to Five Thousand Dollars
10 (\$5,000.00) to Plaintiff Corey Smith. Named Plaintiff will be issued an IRS Form 1099 in
11 connection with his Service Award.

12 37. "Settlement Period" means, and refers to, the period from January 27, 2016
13 through the date of the signed Court order granting preliminary approval of Class Action
14 Settlement.

15 38. "Settlement Award" means, and refers to, total portion of the Net Settlement
16 Amount payable to each Class Member after deduction of all applicable state and federal
17 employment withholding taxes, FICA and FUTA contributions and any other applicable payroll
18 deductions required by law.

19 39. "Total Maximum Settlement Fund" means, and refers to, the total amount that
20 Defendant will be required to pay by this Stipulation. The Total Maximum Settlement Fund
21 consists of the Attorneys' Fees and Costs Award, the Service Award, the Settlement
22 Administration Costs, the PAGA Payment and the Net Settlement Amount. The Total
23 Maximum Settlement Fund is equal to, and shall not exceed, One Hundred And Seventy Five
24 Thousand Dollars (\$175,000.00), except as described in subparagraph (a) immediately below.
25 The Parties further agree, covenant, and represent that Defendant shall be required to pay only
26 the Total Maximum Settlement Fund of One Hundred And Seventy Five Thousand Dollars
27 (\$175,000.00) in addition to the employer's share of payroll taxes, as described further herein
28 below.

1 40. “Total Pay Periods” means, and refers to, the sum of all the verified Pay Periods
2 a Class Member worked during the Settlement Period.

3 41. “Per-Pay-Period Settlement Amount” means, and refers to, the amount to be paid
4 to Participating Class Members for each Class Member Pay Period. The Per-Pay-Period
5 Settlement Amount is the dollar amount resulting from the Net Settlement Amount being
6 divided by the Aggregate Pay Period Number. The estimated Per-Pay-Period Settlement
7 Amount shall be indicated on the Notice.

8 42. “Pay Period” is any two-week period during the Settlement Period in which a
9 Class Member was paid for working for Defendant in California.

10 **II. RECITALS**

11 43. This Stipulation is made by Named Plaintiff on behalf of himself and each of the
12 other Class Members, on the one hand, and Defendant, on the other hand, in this Action, and is
13 subject to the approval of the Court.

14 **a. PROCEDURAL HISTORY**

15 44. The original Action was filed by Plaintiff Corey Smith in the Los Angeles
16 County Superior Court on January 27, 2020, Case No. 20STCV03159. Plaintiff filed an
17 Amended Complaint adding a claim for penalties under PAGA on July 14, 2020, and a Second
18 Amended Complaint on October 21, 2020. The Second Amended Complaint alleges the
19 following: (1) failure to pay straight and overtime compensation; (2) failure to provide meal
20 periods; (3) failure to authorize and permit paid rest periods; (4) failure to provide itemized
21 wage statements; (5) failure to pay waiting time penalties; (6) failure to reimburse business
22 expenses; (7) failure to pay minimum wages; (8) unlawful business practices; and (9) penalties
23 pursuant to PAGA. In the Action, Named Plaintiff seeks recovery of allegedly unpaid wages,
24 penalties, interest, and attorneys’ fees and costs.

25 45. On or about March 18, 2021, Plaintiff and Defendant participated in a private
26 mediation with Steve Pearl, Esq. and subsequently reached an agreement regarding the material
27 terms for a proposed class action settlement, as reflected in this Agreement that fully resolves
28 the Action.

1 **B. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY**

2 46. At or about the time that the Named Plaintiff files his motion for preliminary
3 approval of this Settlement Agreement, the Named Plaintiff shall request certification of the
4 Class as defined in Section I, Paragraph 8, *supra*, for settlement purposes only.

5 47. Limitation on Effect of Certification. The certification of the Class – for
6 settlement purposes only – shall not constitute, in this or any other proceeding, an admission of
7 any kind by Defendant, including without limitation, that certification of a class or collective
8 action for trial purposes is appropriate or proper or that Named Plaintiff could establish any of
9 the requisite elements for class or collective treatment of any of the claims in the Action. In the
10 event that the Settlement is not finally approved, or the Settlement is otherwise terminated or
11 rendered null and void, the certification of the Class shall be automatically vacated and shall not
12 constitute evidence or a binding determination that the requirements for certification of a class
13 or collective action for trial purposes in this Action or in any other actions are satisfied. In such
14 circumstances, Defendant expressly reserves all rights to challenge the Class certification for
15 any purpose other than settlement purposes in this Action or in any other action on all available
16 grounds as if no class had been certified for settlement purposes in the Action, and no reference
17 to the prior certification of this class, or any documents related thereto, shall be made for any
18 purpose. Additionally, the Parties stipulate that to further the certification, and for no other
19 purpose or effect, the Named Plaintiff is typical of other Class Members and can represent the
20 Class.

21 **C. INVESTIGATION IN THE CLASS ACTION**

22 48. The Parties have conducted significant investigation of the facts and law during
23 the prosecution of this Action. Discovery and investigation included: the production of
24 documents by both sides as part of informal discovery, including Defendant's employee
25 handbooks, policies and procedures regarding the payment of wages, time keeping, overtime,
26 meal and rest periods and the production of a sampling of detailed voluminous class-wide
27 payroll and time punch data by Defendant in response to informal requests for information for
28 the purpose of mediation, numerous conferences between representatives of the Parties and a

1 full day-long mediation session with Steve Pearl, Esq., an experienced mediator of wage-and-
2 hour class actions. The mediation session with Mr. Pearl occurred on March 18, 2021.

3 **D. BENEFITS OF SETTLEMENT TO CLASS MEMBERS**

4 49. Named Plaintiff and Class Counsel recognize the expense and length of
5 continued proceedings necessary to litigate their disputes through trial and through any possible
6 appeals. Named Plaintiff has also taken into account the uncertainty and risk of the outcome of
7 further litigation, and the difficulties and delays inherent in such litigation. Named Plaintiff and
8 Class Counsel are also aware of the burdens of proof necessary to establish liability for the
9 claims asserted in the Action, both generally and in response to Defendant's defenses thereto
10 (many of which have been shared at the mediation and in settlement discussions). Named
11 Plaintiff and Class Counsel have also taken into account the extensive settlement negotiations
12 conducted. Named Plaintiff and Class Counsel have also taken into account Defendant's
13 agreement to enter into a settlement that confers substantial relief upon the Class Members.
14 Based on the foregoing, Named Plaintiff and Class Counsel have determined that the Settlement
15 set forth in this Agreement is a fair, adequate and a reasonable settlement, and is in the best
16 interests of the Class Members.

17 **E. DEFENDANT'S REASONS FOR SETTLEMENT**

18 50. Defendant has concluded that any further defense of this litigation would be
19 protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy and
20 resources have been and, unless this Settlement is made, will continue to be devoted to the
21 defense of the Claims asserted by the Class. Defendant has also taken into account the risks of
22 further litigation in reaching its decision to enter into this Settlement. Defendant has, therefore,
23 agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the
24 Claims as set forth in the Action.

25 **F. DEFENDANT'S DENIALS OF WRONGDOING**

26 51. Defendant does not admit any wrongdoing and contends that it fully complied
27 with the law at all times in all respects. This Agreement shall not constitute an admission on
28 behalf of Defendant of any form of liability or accuracy of any allegation made by Plaintiff or

1 Class Counsel. Whether the Settlement is finally approved, neither this Settlement, nor any
2 terms, document, statement, proceeding or conduct related to settlement, nor any reports or
3 accounts thereof, shall in any event be (a) Construed as, offered or admitted in evidence as,
4 received as, or deemed to be evidence for any purpose, including, but not limited to, evidence of
5 a presumption, concession, indication, or admission by Defendant of any fault, wrongdoing,
6 liability and/or unlawful activity whatsoever or any effort to certify a class or collective action;
7 or (b) Disclosed, referred to, or offered or received in evidence, in any further proceeding in this
8 action, or any other civil, criminal or administrative action or proceeding except for purposes of
9 settling this Action or enforcing this Settlement, or as a defense to any claims released by the
10 Settlement. Payment of wages does not extend or alter the Class Members' period of
11 employment for any purpose.

12 **G. NAMED PLAINTIFF'S CLAIMS**

13 52. Named Plaintiff has claimed and continues to claim that the Released Claims
14 have merit and give rise to liability on the part of Defendant. This Agreement is a compromise
15 of disputed claims. Nothing contained in this Agreement and no documents referred to herein
16 and no action taken to carry out this Agreement may be construed or used as an admission by or
17 against the Named Plaintiff or Class Counsel as to the merits or lack thereof of the Claims
18 asserted.

19 **III. STIPULATION AND AGREEMENT**

20 53. ***NOW, THEREFORE, IT IS HEREBY STIPULATED***, by and among the
21 Named Plaintiff on behalf of the Class Members on the one hand, and Defendant on the other
22 hand, and subject to the approval of the Court, that the Action is hereby being compromised and
23 settled pursuant to the terms and conditions set forth in this Agreement, subject to the
24 definitions and recitals set forth in Sections I and II, *supra*, which by this reference become an
25 integral part of this Agreement, and subject to the following terms and conditions:

26 54. Full Investigation. Named Plaintiff and Class Counsel have fully investigated
27 the factual and legal bases for the causes of action asserted in the Action.

28 55. Release As To All Participating Class Members. As for the Settlement Period as

1 defined in Section I, Paragraph 37, *supra*, the Participating Class Members, including the
2 Named Plaintiff, release the Released Parties, as defined in Section I, Paragraph 35 *supra*, for
3 the Released Claims as defined in Paragraph 34, *supra*. This Release is effective as of the date
4 that the Settlement Administrator mails out the Settlement Checks to the Participating Class
5 Members.

6 56. General Release By Named Plaintiff Only. In addition to the releases made by
7 the Participating Class Members as set forth in Section I, Paragraphs 34 and 35, *supra*, Named
8 Plaintiff, in exchange for the Service Award as requested or as otherwise authorized by the
9 Court, will, as of the date the Settlement Administrator mails out the Settlement Checks to the
10 Participating Class Members, make the additional following General Release of all Claims,
11 known or unknown, in exchange and consideration of the sum set forth in Section I, Paragraph
12 36, *supra*. Named Plaintiff agrees to the General Release of the Released Parties. Named
13 Plaintiff also agrees to release all wage and hour Claims, including, but not limited to, minimum
14 and overtime wages, meal and rest period premiums, penalties under the Labor Code and PAGA
15 and all other Released Claims including but not limited to the Fair Employment and Housing
16 Act, contract, wrongful termination in violation of public policy, and intentional infliction of
17 emotional distress claims. The General Release as to Named Plaintiff includes any unknown
18 Claims that Named Plaintiff does not know or suspect to exist in his favor at the time of the
19 General Release, which, if known by him, might have affected his settlement with, and release
20 of, the Released Parties or might have affected the decision not to object to this Settlement or
21 the General Release.

22 57. With respect to the General Release, Named Plaintiff stipulates and agrees that,
23 upon the date the Settlement Administrator mails out the Settlement Checks to the Participating
24 Class Members, Named Plaintiff shall be deemed to have, and by operation of the Final
25 Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law,
26 the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other
27 similar provision under federal or state law, which provides:
28

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.

Named Plaintiff may hereafter discover facts in addition to or different from those he now knows or believes to be true with respect to the subject matter of the General Release, but Named Plaintiff upon the date the Settlement Administrator mails out the Settlement Checks to the Participating Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the claims released pursuant to the General Release whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, which arose prior to the date of the execution of this Agreement.

58. Service Award. Subject to Court approval, and expressly in exchange for the release of all Released Claims, and for his time and effort in bringing and prosecuting this matter, Named Plaintiff shall be paid a Service Award up to a total of Five Thousand Dollars (\$5,000.00), or such other distribution or lower amount as the Court may order. The Service Award shall be paid from the Total Maximum Settlement Fund and shall not increase the Total Maximum Settlement Fund. The Service Award shall be paid to the Named Plaintiff by the Settlement Administrator no later than fifteen (15) days after Defendant delivers the Total Maximum Settlement Fund to the Settlement Administrator for deposit into the Qualified Settlement Fund. The Parties agree that a decision by the Court to award Named Plaintiff an amount less than the amount stated above shall not be a basis for Class Counsel to void this Stipulation. The Settlement Administrator shall issue Named Plaintiff an IRS Form 1099 for the Service Award. Any amount awarded for service payments to the Named Plaintiff less than

1 the requested amounts will result in the non-awarded funds to be awarded to Participating Class
2 Members on a proportionate basis to the amount of their Individual Settlement Payment. The
3 Named Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on
4 this payment. The Service Award shall be paid in addition to the Named Plaintiff's share of the
5 Settlement Amount as a Participating Class Member.

6 59. Tax Liability.

7 a. Defendant makes no representations as to the tax treatment or legal effect of the
8 payments called for hereunder, and Named Plaintiff, Participating Class Members, and PAGA
9 Members, are not relying on any statement or representation by Defendant in this regard.
10 Named Plaintiff, Participating Class Members, PAGA Members, understand and agree that
11 except for Defendant's payment of the employer's portion of any payroll taxes, they will be
12 solely responsible for the payment of any taxes and penalties assessed on the payments
13 described herein.

14 b. Treatment of PAGA Settlement. With regard to settlement payments to
15 PAGA Members and Plaintiff from the PAGA Payment, which are not wages, IRS Form 1099s
16 will be issued. Nothing in this Settlement is intended to constitute legal advice regarding
17 federal, state, and/or local tax obligations. Plaintiff acknowledges that he has obtained no tax
18 advice from Defendants or their attorneys and that neither Defendants nor their attorneys have
19 made any representation concerning the tax consequences, if any, of the Settlement Amount in
20 this Agreement or any payment to be made pursuant to this Agreement. To the extent that this
21 Settlement or any of its attachments is interpreted to contain or constitute advice regarding any
22 state or federal tax issue, such advice is not intended or written to be used, and cannot be used,
23 by any person for the purpose of avoiding penalties under the Internal Revenue Code.
24 Defendants are not responsible for any employee tax obligations regarding the allocation of the
25 settlement payments. Payment of PAGA Counsel Fees & Costs will be reflected in a Form 1099
26 to PAGA Counsel who shall assume full responsibility and liability for the payment of taxes due
27 on such payments.
28

1 60. CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
2 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
3 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
4 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO
5 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR
6 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
7 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
8 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
9 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
10 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
11 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
12 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
13 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
14 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
15 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
16 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
17 ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
18 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
19 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
20 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR
21 ADVISOR’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
22 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
23 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
24 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

25 61. Creation Of The Qualified Settlement Fund And Administration Of The
26 Settlement. Within twenty-one (21) days after the Effective Date, Defendant shall deliver the
27 sum of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) representing the Total
28 Maximum Settlement Fund as required by this Stipulation into the Qualified Settlement Fund

1 created by the Settlement Administrator. In addition, and separate to the One Hundred Seventy-
2 Five Dollars (\$175,000.00) Total Maximum Settlement Fund payment, Defendant is also
3 required to pay, and will deliver into the Qualified Settlement Fund, its share of taxes, including
4 the employer's portion of payroll taxes, including but not limited to, FICA, FUTA and SDI
5 contributions. In addition to the employer's portion of payroll taxes, payments from the
6 Qualified Settlement Fund shall be made (1) for the Service Award to the Named Plaintiff, as
7 specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award
8 to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the
9 Settlement Administration Costs; and (4) the amount allocated to PAGA penalties to be paid to
10 the California Labor Workforce and Development Agency. The balance remaining shall
11 constitute the Net Settlement Amount from which Individual Settlement Payments shall be
12 made to Participating Class Members, less applicable taxes and withholdings.

13 62. Attorneys' Fees And Cost Award. Defendant agrees not to oppose any
14 application or motion by Class Counsel for attorneys' fees not in excess of Fifty-Eight
15 Thousand Three Hundred Thirty-Three Dollars and Twenty-Eight Cents (\$58,333.28), or thirty-
16 three and one third percent of the Total Maximum Settlement Fund.

17 63. Defendant further agrees not to oppose any application or motion by Class
18 Counsel for the reimbursement of any costs associated with Class Counsel's prosecution of this
19 matter not in excess of Twelve Thousand Five Hundred Dollars (\$12,500.00). Class Counsel
20 will provide verification of the cost amount that it is seeking to be reimbursed. Any amount
21 awarded for attorneys' fees and costs to Class Counsel less than Fifty-Eight Thousand Three
22 Hundred Thirty-Three Dollars and Twenty-Eight Cents (\$58,333.28), or Twelve Thousand Five
23 Hundred Dollars (\$12,500), respectively, will result in the non-awarded amounts to be awarded
24 to Participating Class Members on a proportionate basis to the amount of their Individual
25 Settlement Payments. Class Counsel shall be paid any Court-approved fees and costs no later
26 than twenty-one (21) days after Defendant delivers the Total Maximum Settlement Fund to the
27 Settlement Administrator for deposit into the Qualified Settlement Fund. Class Counsel shall be
28 solely and legally responsible to pay all applicable taxes on the payment made. Forms 1099 –

MISC, Box 14 shall be provided to Class Counsel for the payments made, and Class Counsel shall provide, before the Effective Date, properly completed Forms W-9.

64. Settlement Administrator. The Settlement Administrator shall be paid for the costs of administration of the Settlement out of the Total Maximum Settlement Amount as deposited in the Qualified Settlement Fund. The estimate of such costs of administration for the disbursement of the Total Maximum Settlement Amount is no more than Seven Thousand Five Hundred Dollars (\$7,500.00). Any amount awarded for costs of administration to Settlement Administrator, or such other entity upon whom the Parties mutually agree, less than Seven Thousand Five Hundred Dollars (\$7,500.00) will result in the non-awarded amount to be awarded to Participating Class Members on a proportionate basis to the amount of their Individual Settlement Payments. This estimate includes all tasks required of the Settlement Administrator by this Agreement including the issuance of the Notice, establishment of a website to make information about the settlement, hearing dates and notice of final judgment available to Class Members, the issuance of settlement checks, the required tax reporting on the settlement amounts, including the issuing of W2 and 1099 forms (if any), the handling of Class Member questions and disputes and the calculation of employee withholding taxes and the employer payroll taxes, which will be remitted to the tax authorities by the Settlement Administrator. At least sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide the Court and all counsel for the Parties with a statement detailing the costs of administration of the Total Maximum Settlement Fund and the breakdown of the Total Maximum Settlement Fund.

65. Preliminary Settlement Hearing/Alterations to this Agreement. As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Court approval of the Settlement:

a. Plaintiff shall file a Motion for Preliminary Approval and request a hearing before the Superior Court to request preliminary approval of the Settlement and to request the entry of the Preliminary Approval Order.

1 b. Simultaneous with and/or included in the filing of the Motion for
2 Preliminary Approval, and solely for purposes of this Settlement, Named Plaintiff will request
3 the Court to enter the Preliminary Approval Order, preliminarily approving the proposed
4 Settlement, conditionally certifying the Class, and setting a date for a Final Approval Hearing.

5 c. In conjunction with the Motion for Preliminary Approval, Named
6 Plaintiff will submit this Stipulation and Settlement of Class Action Agreement, which sets
7 forth the terms of this Settlement Agreement, and will include proposed forms of all notices and
8 other documents as attached hereto necessary to implement the Settlement. The Order shall
9 provide for Notice of the Settlement to be sent to Class Members as specified herein.

10 d. In the event any provision of the Settlement is rejected by the Court, the
11 Parties will work in good faith to negotiate alteration of the rejected term. The parties agree to
12 use the services of a mediator if informal efforts to negotiate alteration have been exhausted.

13 e. If, following the Parties' good faith efforts and mediation, the Parties
14 cannot agree on alterations, or if ultimately the Court does not grant preliminary or final
15 approval of the Settlement in its entirety, or if the Court's final approval of the Settlement
16 agreement is reversed or materially modified on appellate review, then this Settlement will
17 become null and void. In such case, the Settlement shall not be used or be admissible in any
18 subsequent proceedings, either in this Action, in this Court, or in any other Court or forum, and
19 the Parties will not stipulate to Class Certification.

20 66. Settlement Administration/Management. The Individual Settlement Payments
21 shall be managed and administered as follows:

22 a. Settlement administrator, Simpluris, is mutually agreed upon by the
23 Parties, and shall be retained to serve as Settlement Administrator. The Parties each represent
24 they do not have any financial interest in the Settlement Administrator or otherwise have a
25 relationship with the Settlement Administrator that could create a conflict of interest.

26 b. Defendant shall provide the Settlement Administrator the Class List and
27 Data Report within fifteen (15) days of the Preliminary Approval Date.
28

1 c. Within fourteen (14) days of receipt of the Class List and Data Report,
2 the Settlement Administrator shall mail the Notice Packet to each Class Member in accordance
3 with Section III, Paragraph 67.

4 d. Participating Class Members will be eligible to receive an Individual
5 Settlement Payment, calculated in accordance with Section III Paragraph 67, *infra*.

6 e. Sixteen (16) court days prior to the Final Approval Hearing, the
7 Settlement Administrator shall provide Defendant's Counsel and Class Counsel a report
8 showing the names and number of Class Members who have objected to or requested exclusion
9 from the Settlement.

10 f. The Parties agree to cooperate in the settlement administration process
11 and to make all reasonable efforts to control and minimize the costs and expenses incurred in
12 administration of the Settlement.

13 g. The Settlement Administrator shall be responsible for: The Settlement
14 Administrator shall be responsible for: printing and mailing the Notice Packet in English as
15 directed by the Court; receiving and reporting the objections/requests for exclusion and
16 challenges to the Individual Settlement Payments submitted by Class Members; mailing the
17 payment to the Labor & Workforce Development Agency; and other tasks as the Parties
18 mutually agree or the Court orders the Settlement Administrator to perform (including the
19 calculation and remittance of employer taxes which will be paid by Defendant in addition to the
20 Total Maximum Settlement Amount). The Settlement Administrator shall keep Defendant,
21 Defendant's counsel and Class Counsel timely apprised of the performance of all Settlement
22 Administrator responsibilities. Translation to any other language is not required as all of
23 Defendant's employees can read English.

24 h. The Settlement Administrator, on Defendant's behalf, shall have the
25 authority and obligation to make payments, credits and disbursements, including payments and
26 credits in the manner set forth herein to Participating Class Members, calculated in accordance
27 with the methodology set out in this Agreement and orders of the Court.

1 i. Any tax return filing required by this Agreement shall be made by the
2 Settlement Administrator. Any expenses incurred in connection with such filing shall be a cost
3 of administration of the Settlement.

4 j. No person shall have any claim against Defendant or Defendant's
5 Counsel, the Named Plaintiff, Class Members, the Class, Class Counsel or the Settlement
6 Administrator based on distributions or payments made in accordance with this Agreement.

7 67. Payment Formulas.

8 a. Calculation Of Individual Class Member Payments.

9 The Individual Class Member Settlement Payments will be calculated as follows:

10 i. The Settlement Administrator will be provided each Class Members' Total Pay
11 Periods as defined in Section I, Paragraph 40, *supra*, based on the Class List and Data Report,
12 which shall be presumed to be correct. If a Class Member disagrees with his or her Total Pay
13 Periods, which shall be set forth in the Notice and in the "Class Member Pay Period Optional
14 Response Form" included in the Notice Packet, he or she may challenge the Total Pay Periods
15 in the manner set forth herein.

16 ii. The Settlement Administrator will calculate the Aggregate Pay Period Number
17 by adding the sum of all of the Participating Class Members' Total Pay Periods.

18 iii. The Settlement Administrator will divide the Net Settlement Amount by the
19 Aggregate Pay Period Number to calculate the Per-Pay-Period Settlement Amount. The
20 estimated Per-Pay-Period Settlement Amount shall be indicated on the Notice.

21 iv. The Settlement Administrator will calculate each Class Members' Individual
22 Settlement Award by multiplying his or her Total Pay Periods times the Per-Pay-Period
23 Settlement Amount. Each Class Member's estimated Individual Settlement Award will be
24 indicated on the Notice.

25 v. The Per-Pay-Period Settlement Amount and Individual Settlement Award
26 estimates indicated on the Notice are subject to change, depending on factors including: (i) how
27 many Class Members become Excluded Class Members (resulting in their Total Pay Periods
28

1 being removed from the final Aggregate Pay Period Number, thereby increasing the final Per-
2 Pay-Period Settlement Amount); (ii) any changes to the Total Pay Periods resulting from
3 challenges to Total Pay Periods submitted by Class Members resulting in pay period
4 adjustments, which may increase or decrease the final Aggregate Pay Period Number and the
5 final Per-Pay-Period Settlement Amount; and (iii) any increases or reductions in the Net
6 Settlement Amount which may result from, *inter alia*, changes to the actual amount of PAGA
7 Payment, and/or Settlement Administration Costs approved by the Court.

8 vi. Each Participating Class Member's Individual Settlement Payment will be
9 allocated as follows: (a) 20% as wages; (b) 40% as penalties; and (c) 40% as interest. The
10 portion allocated to wages ("Wage Component") shall be reported on an IRS Form W-2 and the
11 portions allocated to interest and penalties (the "Non-Wage Component") shall be reported on
12 an IRS Form-1099 by the Settlement Administrator.

13 vii. The employee's portion of employment taxes, including payroll deductions for
14 state and federal withholding taxes, and any other applicable payroll deductions, shall be made
15 from each Participating Class Member's Wage Component, resulting in a "Net Wage
16 Component." The Settlement Administrator will issue a W-2 for the Wage Component.

17 1. No withholding shall be made on the Non-Wage Component of the
18 settlement. The Settlement Administrator will issue an IRS Form 1099 for the
19 Non-Wage Component.
20

21 2. The Net Wage Component shall be added to the Non-Wage
22 Component, resulting in each Participating Class Members Individual Settlement
23 Payment.

24 viii. The Settlement Administrator, on Defendant's and Class Counsel's collective
25 behalf, shall have the authority and obligation to make payments, credits and disbursements,
26 including payments and credits in the manner set forth herein, to Class Members calculated in
27 accordance with the methodology set out in this Agreement and orders of the Court. The
28

1 Settlement Administrator shall be responsible for calculating and withholding all required state
2 and federal taxes.

3 ix. No person shall have any claim against Defendant, Defendant's Counsel, the
4 Named Plaintiff, the Class, Class Counsel, or the Settlement Administrator based on any errors
5 or omissions in the distributions and payments that are required to be made in accordance with
6 the terms of this Agreement.

7 b. Calculation of PAGA Payment:

8 The PAGA Payment is seventeen thousand, five hundred dollars (\$17,500.00) of the
9 Total Maximum Settlement Fund, which constitutes settlement and compromise of claims under
10 PAGA, Labor Code section 2699(i). It will be distributed as follows: 25% to the PAGA
11 Members, which equates to approximately \$4,375.00 to PAGA Members, and 75% to the
12 California Labor and Workforce Development Agency, which equates to approximately
13 \$13,125.00. Thus, each PAGA employee shall receive an allocation of the PAGA Member-
14 portion of the PAGA Payment on a pro-rata basis based on the number of eligible pay periods
15 worked by each PAGA employee. All PAGA Members shall automatically receive their portion
16 of the PAGA Payment, regardless of whether such PAGA Members are also Class Members that
17 decided to opt-out of the Settlement, if the PAGA Payment is approved by the Court. PAGA
18 Members cannot opt out of the PAGA Portion of the Settlement, including the PAGA Release
19 and Payment. The Settlement Administrator, in compliance with ¶ 67(b) herein, will provide a
20 true and accurate amount each PAGA Member will receive on a pro-rata basis based on the
21 number of eligible pay periods worked by each PAGA employee, as further explained herein.

23 c. Individual Settlement Payments for Class Members and PAGA Members shall
24 be paid exclusively from the Qualified Settlement Fund, pursuant to the settlement formulas set
25 forth above, and, provided all other pre-payment conditions of the settlement and any applicable
26 court orders are met, shall be mailed within fifteen (15) days after Defendant delivers the Total
27 Maximum Settlement Fund to the Settlement Administrator for deposit into the Qualified
28 Settlement Fund.

1 68. Notice To Class Members. Notice of the Settlement shall be provided to all
2 Class Members using the following procedures:

3 a. Notice By First-Class Mail. Within fourteen (14) days after receipt of the
4 Class List and Data Report, the Settlement Administrator shall mail the Notice Packet to the
5 Class Members *via* first-class regular U.S. Mail. The Notice Packet will include the Notice of
6 Pendency of Class Action, Proposed Settlement and Hearing Date for Court Approval
7 (substantially in the form annexed hereto as **Exhibit 1**). Prior to mailing, the Settlement
8 Administrator will perform a search based on the National Change of Address Database
9 information to update and correct for any known or identifiable address changes. If a new
10 address is obtained by a way of a returned Notice Packet, then the Settlement Administrator
11 shall promptly forward the original Notice Packet to the updated address via first-class regular
12 U.S. mail indicating on the original Notice Packet the date of such re-mailing.

13 b. No Requirement for a Claim Form. Class Members shall not be required
14 to submit a Claim Form to receive an Individual Settlement Payment.

15 c. Objection/Exclusion Deadline Date and Deadline to Challenge Total Pay
16 Periods: Class Members will have forty-five (45) calendar days from the mailing of the Notice
17 Packet to submit an objection and/or request for exclusion from the Settlement, or challenge the
18 Total Pay Periods by providing their claimed pay periods to the Settlement Administrator along
19 with documentary evidence, as set forth *herein*. Class members whose notices are re-mailed will
20 have an additional fifteen (15) days to submit an objection and/or request for exclusion and/or
21 pay period challenge.

22 d. Procedure For Undeliverable Notices. Any Notices returned to the
23 Settlement Administrator as non-delivered on or before the Objection/Exclusion Deadline Date
24 shall be sent to the forwarding address affixed thereto within five (5) business days. If no
25 forwarding address is provided, then the Settlement Administrator shall promptly attempt to
26 determine a correct address using a single skip-trace, computer or other search using the name
27 and address of the individual involved, and shall then perform a single re-mailing within five (5)
28 business days. Those Class Members that receive a re-mailed Notice shall have their deadline

1 for submitting an objection to and/or request for exclusion from the Settlement, or challenging
2 their Total Pay Periods, extended fifteen (15) business days from the post mark date of re-
3 mailing. In the event the procedures in this paragraph are followed and the intended recipient of
4 a Notice still does not receive the Notice, the Class Member shall be bound by all terms of the
5 Settlement and any Final Judgment entered by the Court if the Settlement is approved by the
6 Court.

7 e. Within sixteen (16) court days of the Final Approval Hearing, the
8 Settlement Administrator shall provide Defendant's Counsel and Class Counsel: (i) the names
9 and contact information of the Class Members objecting to or requesting exclusion from the
10 Settlement; and (ii) the amount owed to each Participating Class Member.

11 69. Procedure For Objecting To or Requesting Exclusion From The Class Action
12 Settlement, or Challenging Total Pay Periods. The Class Members shall submit objections to
13 the Settlement and/or request exclusion from the Settlement and/or submit a challenge to their
14 total pay periods using the following procedures:

15 a. Procedure For Objecting. The Notice shall provide that those Class
16 Members who wish to object to the Settlement must mail a written statement of objection
17 ("Notice of Objection") to the Settlement Administrator no later than the Objection/Exclusion
18 Deadline Date. The postmark date of the mailing shall be deemed the exclusive means for
19 determining if a Notice of Objection is timely. The Notice of Objection must contain the Class
20 Member's name, the last four digits of his/her social security number, dates of employment,
21 current contact information, a statement providing the basis for the Class Member's objections,
22 a statement advising if the objecting Class Member plans to address the Court at the Settlement
23 Fairness Hearing, and a description of any legal briefs, papers or memoranda the objecting
24 Class Member proposes to submit to the Court. However, any Class Member who does not mail
25 a Notice of Objection, may still be heard by the Court at the Final Approval Hearing and may
26 ask to speak regarding his or her objection. The Court will hear from any Class Member who
27 attends the Final Approval Hearing and asks to speak regarding his or her objection. Class
28 Members who fail to objection in either of the two manners specified above shall be deemed to

1 have waived any objections and shall be foreclosed from making any objection (whether by
2 appeal or otherwise) to the Settlement Agreement. No later than sixteen (16) court days before
3 the Settlement Fairness Hearing, the Settlement Administrator shall provide counsel for the
4 Parties with complete copies of all objections received, including the postmark dates for each
5 objection. Class Counsel and Counsel for Defendant shall file any responses to any written
6 objections submitted to the Court in accordance with this Settlement Agreement at least five (5)
7 days before the Settlement Fairness Hearing.

8 b. Procedure For Requesting Exclusion. The Notice shall provide that Class
9 Members who wish to exclude themselves from the Class must submit a written request to be
10 excluded from the Class on or before the Objection/Exclusion Deadline Date. Class Counsel
11 and Defendant's Counsel agree to an opt-out period of forty-five (45) calendar days, with an
12 additional fifteen (15) days for re-mailed notices. Such request for exclusion: (1) must contain
13 the name, address, telephone number and the last four digits of the Social Security number of
14 the person requesting exclusion; (2) must be signed by the person requesting exclusion; (3) must
15 be returned by mail to the Settlement Administrator at the specified address; (4) must be
16 postmarked on or before the Objection/Exclusion Deadline Date and (5) must express that they
17 wish to opt out of the Class Action Settlement in the case. The date of the postmark on the
18 return mailing envelope shall be the exclusive means used to determine whether a request for
19 exclusion has been timely submitted. Any Class Member who requests an exclusion from the
20 Class will not be entitled to any recovery under the Settlement and will not be bound by the
21 Settlement or have any right to object, appeal or comment thereon. Class Members who fail to
22 submit valid and timely requests for exclusion on or before the Objection/Exclusion Deadline
23 Date shall be Participating Class Members and shall be bound by all terms of the Settlement and
24 any Final Judgment entered in this Class Action if the Settlement is approved by the Superior
25 Court. However, any Class Member who does not mail a Notice of Objection, may still be heard
26 by the Court at the Final Approval Hearing and may ask to speak regarding his or her objection.
27 The Court will hear from any Class Member who attends the Final Approval Hearing and asks
28 to speak regarding his or her objection. No later than sixteen (16) court days before the

1 Settlement Fairness Hearing, the Settlement Administrator shall provide counsel for the Parties
2 with a complete list of all members of the Settlement Class who have timely requested
3 exclusion from the Settlement. At no time shall any of the Parties or their counsel seek to
4 solicit or otherwise encourage members of the Settlement Class to submit requests for exclusion
5 from the Settlement.

6 c. Procedure for Contesting Individual Settlement Payment: Each Class
7 Member will have the opportunity, should he/she disagree with Defendant's records regarding
8 his/her Total Pay Periods, to provide documentation to show contrary employment dates. To do
9 so, Class Members must provide, in writing to the Settlement Administrator, his/her name,
10 address, last four digits of social security number and all applicable documentary evidence to
11 support his/her dispute regarding his/her Total Pay Periods prior to the Objection/Exclusion
12 Deadline. Moreover, an individual can only dispute his/her number of pay periods if he/she
13 does not exclude himself/herself from the Settlement. If there is a dispute, the Settlement
14 Administrator will consult with the Parties to determine whether a pay period adjustment is
15 warranted. Class Counsel and Defendant's Counsel shall meet and confer in an attempt to reach
16 an agreement regarding whether a pay period adjustment is warranted based on the documentary
17 evidence submitted by the Class Member to challenge his/her Total Pay Periods. If they cannot
18 agree, the Settlement Administrator shall make the final determination of whether or not a pay
19 period adjustment is warranted based on the documentary evidence submitted by the Class
20 Member to challenge his/her Total Pay Periods, and that determination shall be conclusive, final
21 and binding on all Parties, including all Class Members. In the event that a pay period
22 adjustment is warranted, the additional amount owed to said Class Member, if any, shall be paid
23 as part of that Participating Class Member's Individual Settlement Payment.

24 e. No Solicitation Of Settlement Opt Outs/Objections or Publicity. The
25 Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall
26 any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to opt
27 out, submit written objections to the Settlement or appeal from the Order and Final Judgment,
28 or seek publicity regarding the same.

1 70. Procedure For Payment Of Individual Settlement Payments:

2 a. Except for Excluded Class Members, all Participating Class Members
3 will receive an Individual Settlement Payment.

4 b. Individual Settlement Payments for Class Members and PAGA Members
5 shall be paid exclusively from the Qualified Settlement Fund, pursuant to the settlement formula
6 set forth herein, and shall be mailed within fifteen (15) days after Defendant delivers the Total
7 Maximum Settlement Fund to the Settlement Administrator for deposit into the Qualified
8 Settlement Fund.

9 c. Should any question arise regarding the determination of eligibility for,
10 or the amounts of, any Individual Settlement Payment under the terms of this Agreement, Class
11 Counsel and Defendant's Counsel shall meet and confer in an attempt to reach agreement. If
12 they cannot agree, the Settlement Administrator shall make the final determination, and that
13 determination shall be conclusive, final and binding on all Parties, including all Class Members.

14 d. The Individual Settlement Payment checks will be void after 180 days
15 from the date of issuance. In compliance with Code of Civil Procedure section 384, for any
16 check not cashed after 180 calendar days, the Settlement Administrator will pay over the
17 amount represented by the uncashed check plus interest on that sum at the legal rate of interest
18 from the date of entry of the initial judgment to the California State Controller's Office in the
19 name of the individual Class Member. Any tax forms issued by the Settlement Administrator
20 to the class member who does not cash his/her check shall be voided and the employer's share
21 of payroll taxes will be returned to Defendant. The Parties acknowledge that California Civil
22 Procedure Code section 384 and the Doctrine of Cy Pres are not applicable to this Settlement
23 because the terms of this Settlement Agreement expressly provide for the disposition of the
24 entire Gross Settlement Amount, whether claimed or unclaimed.

25 e. Although Participating Class Members who do not timely cash their
26 Individual Settlement Payments shall not receive the monies from those checks (because the
27 checks shall be deemed null and void), such persons shall nonetheless be Participating Class
28 Members and will be bound by all terms of the Settlement and any Final Judgment entered in

1 this Class Action if the Settlement is approved by the Superior Court, including the release of
2 the Released Claims, unless they timely file a valid request for exclusion as set forth herein.

3 71. Claims Deemed Waived. Any Class Member who does not request exclusion as
4 set forth above is deemed to be a Participating Class Member and thereby is deemed to have
5 released the Released Claims against Released Parties as set forth herein, regardless of whether
6 or not they timely cash their Individual Settlement Payment.

7 72. Option To Terminate Settlement. Notwithstanding any other provision of this
8 Settlement Agreement, Defendant shall retain the right, in the exercise of its sole discretion, to
9 nullify the settlement if seven (7%) percent or more of the Class Members request exclusion
10 from the class action settlement. Defendant must exercise its right of rescission, in writing, to
11 the Court and Class Counsel, within seven calendar days after the Settlement Administrator
12 notifies the Parties of the total number of Requests for Exclusion received by the Response
13 Deadline. If Defendant exercises its option to rescind, Defendant shall be solely responsible for
14 the initial payment to the Settlement Administrator of all costs of the Settlement Administration,
15 including any re-notice to the Class as ordered by the Court, but such initial payment shall be
16 treated as a taxable cost in the event that this case is ultimately litigated and Defendant prevails
17 in a manner permitting an award of costs per applicable statute(s) and/or procedural rule(s). If
18 Defendant exercises its option to rescind the Settlement under this paragraph all actions taken in
19 furtherance of the Settlement will be null and void.

20 73. Certification By Settlement Administrator. Upon completion of administration
21 of the distributions, the Settlement Administrator shall provide written certification of such
22 completion to the Court and counsel for all Parties.

23 74. Final Settlement Approval Hearing And Entry Of Final Judgment. Upon
24 expiration of the Objection/Exclusion Deadline Date, with the Court's permission, a Final
25 Fairness Hearing shall be conducted to determine final approval of the Settlement along with
26 the amount properly payable for (i) the Attorneys' Fees and Cost Award, (ii) any Service
27 Awards, and (iii) Settlement Administration Costs. Upon final approval of the Settlement by
28 the Court, the Parties shall present the Final Approval Order and Judgment, in a form agreed to

1 in advance by the Parties, for the Court's approval. After entry of the Final Approval Order and
2 Judgment, the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the
3 interpretation and enforcement of the terms of the Settlement; (ii) Settlement administration
4 matters; and (iii) such post-Final Judgment matters as may be appropriate under court rules or
5 as set forth in this Agreement.

6 75. Nullification Of Settlement Agreement. In the event: (i) the Court does not
7 finally approve the Settlement as provided herein; (ii) the Court does not enter a Final Approval
8 Order as provided herein, which becomes final as a result of the occurrence of the Effective
9 Date; or (iii) Defendant elects to terminate the Settlement as set forth *supra* in paragraph 17,
10 this Settlement Agreement shall be null and void and any order or judgment entered by the
11 Court in furtherance of this Settlement shall be treated as void from the beginning. In such a
12 case, the Parties and any funds to be awarded under this Settlement shall be returned to their
13 respective statuses as of the date and time immediately prior to the execution of this Agreement,
14 and the Parties shall proceed in all respects as if this Settlement Agreement had not been
15 executed, except that any fees already incurred by the Settlement Administrator shall be paid by
16 Defendant. In the event an appeal is filed from the Court's Final Judgment, or any other
17 appellate review is sought prior to the Effective Date, administration of the Settlement shall be
18 stayed pending final resolution of the appeal or other appellate review, as well as any fees
19 incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from
20 the Court's Final Judgment, or any other appellate review.

21 76. No Effect On Employee Benefits. Neither the Individual Settlement Payments
22 nor the Service Award to Named Plaintiff shall be deemed to be pensionable earning and shall
23 not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g.,
24 vacations, holiday pay, retirement plans, etc.) of the respective Named Plaintiff or Participating
25 Class Members. The Parties agree that any Individual Settlement Payments to Participating
26 Class Members under the terms of this Agreement do not represent any modification of the
27 Participating Class Members' previously credited hours of service or other eligibility criteria
28 under any employee pension benefit plan or employee welfare benefit plan sponsored by

1 Defendant. Further, any Individual Settlement Payment, or Service Award hereunder shall not
2 be considered “compensation” in any year for purposes of determining eligibility for, or benefit
3 accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored
4 by Defendant. Neither Defendant nor Named Plaintiff are opining on the terms of any such
5 Plan, each of which speaks for itself.

6 77. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning
7 the interpretation, calculation or payment of settlement claims, or other disputes regarding
8 compliance with this Agreement shall be resolved as follows:

9 a. If the Named Plaintiff or Class Counsel, on behalf of the Named Plaintiff
10 or any Class Member, or the Defendant at any time believes that the other Party has breached or
11 acted contrary to the Agreement, that Party shall notify the other Party in writing of the alleged
12 breach.

13 b. Upon receiving notice of the alleged breach or dispute, the responding
14 Party shall have fourteen (14) calendar days to correct the alleged breach and/or respond to the
15 initiating Party with the reasons why the Party disputes all or part of the allegation.

16 c. If the response does not address the alleged breach to the initiating
17 Party’s satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to
18 resolve their differences.

19 d. If Class Counsel and Defendant’s Counsel are unable to resolve their
20 differences after twenty-one (21) calendar days referenced in Section III, Paragraph 22(a)– (c),
21 *supra*, either Party may file an appropriate motion for enforcement with the Court.

22 e. In the event that the Court does not agree to adopt the above dispute
23 resolution procedure as part of its Order granting final approval to the Settlement, then the
24 above provisions for Dispute Resolution (Section III, paragraph 22(a)-(d)) are null and void, the
25 remainder of the settlement is unaffected, and the parties shall remain free to submit disputes
26 and/or motions for enforcement of the settlement via appropriate noticed motion or ex parte
27 application as though Section III, paragraph 22 was not included herein.

1 78. No Retaliation. Defendant shall not take any adverse action against any Class
2 Member because of the existence of, and/or participation in, the Settlement, or because they
3 choose to benefit from the Settlement or to object to the Settlement. The Parties shall not take
4 action to discourage Class Members from participating in the Settlement.

5 79. Exhibits And Headings. The terms of this Agreement include the terms set forth
6 in any attached Exhibit which is incorporated by this reference as though fully set forth herein.
7 Any exhibits to this Agreement are an integral part of the Settlement. The descriptive headings
8 of any paragraphs or sections of this Agreement are inserted for convenience of reference only
9 and do not constitute a part of this Agreement.

10 80. Interim Stay Of Proceedings. The Parties agree to hold all proceedings in the
11 Action, except such proceedings necessary to implement and complete the Settlement, in
12 abeyance pending the Settlement Hearing to be conducted by the Court.

13 81. Amendment Or Modification. This Agreement may be amended or modified
14 only by a written instrument signed by counsel for all Parties or their successors-in-interest.

15 82. Entire Agreement. This Agreement and any attached exhibits constitute the
16 entire agreement among these Parties, and no oral or written representations, warranties or
17 inducements have been made to any Party concerning this Agreement or its exhibits other than
18 the representations, warranties and covenants contained and memorialized in such documents.
19 Defendant shall not be required as part of the Settlement to modify or eliminate any of its
20 personnel, compensation or payroll practices, or adopt any new personnel, compensation or
21 payroll practices.

22 83. Authorization To Enter Into Settlement Agreement. Counsel for all Parties
23 warrant and represent they are expressly authorized by the Parties whom they represent to
24 negotiate this Agreement and to take all appropriate action required or permitted to be taken by
25 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
26 documents required to effectuate the terms of this Agreement. The Parties and their counsel
27 will cooperate with each other and use their best efforts to effect the implementation of the
28 Settlement. In the event the Parties are unable to reach agreement on the form or content of any

1 document needed to implement the Settlement, or on any supplemental provisions that may
2 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance
3 of the Court to resolve such disagreement. The persons signing this Agreement on behalf of
4 Defendant represent and warrant that they are authorized to sign this Agreement on behalf of
5 Defendant.

6 84. Binding On Successors And Assigns. This Agreement shall be binding upon,
7 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

8 85. California Law Governs. All terms of this Agreement and the exhibits hereto
9 shall be governed by and interpreted according to the laws of the State of California.

10 86. Counterparts. This Agreement may be executed in one or more counterparts.
11 All executed counterparts and each of them shall be deemed to be one and the same instrument
12 provided that counsel for the Parties to this Agreement shall exchange among themselves
13 original signed counterparts.

14 87. This Settlement Is Fair, Adequate And Reasonable. The Parties believe this
15 Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this
16 Settlement after extensive arms-length negotiations, taking into account all relevant factors,
17 present and potential. The Parties to this Agreement are represented by competent counsel, and
18 they have had an opportunity to consult with counsel prior to its execution.

19 88. Jurisdiction Of The Court. The Court shall retain jurisdiction with respect to the
20 interpretation, implementation and enforcement of the terms of this Agreement and all orders
21 and judgments entered in connection therewith, and the Parties and their counsel hereto submit
22 to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the
23 settlement embodied in this Agreement and all orders and judgments entered in connection
24 therewith.

25 89. Cooperation And Drafting. Each of the Parties has cooperated in the drafting
26 and preparation of this Agreement. Hence, in any construction made to this Agreement, the
27 same shall not be construed against any of the Parties.
28

1 90. Invalidity Of Any Provision. Before declaring any provision of this Agreement
2 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
3 consistent with applicable precedents so as to define all provisions of this Agreement valid and
4 enforceable.

5
6 DATED: May 19, 2022

PLAINTIFF

Corey Smith

Corey Smith

9
10 DATED: May 19, 2022

VELOCITY AEROSPACE, INC.

11
12 BY: _____

13 TITLE: _____

14 DATED: May 19, 2022

HAIG B. KAZANDJIAN LAWYERS APC

15
16 By:

/s/ Haig B. Kazandjian

Haig B. Kazandjian

Cathy Gonzalez

Attorneys for Plaintiff

COREY SMITH

19
20 DATED: May 19, 2022

EPSTEIN BECKER & GREEN, P.C.

21 By:

Jonathan M. Brenner

Kevin D. Sullivan

Jonathan Assia

Attorneys for Defendant

VELOCITY AEROSPACE GROUP, INC.

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3 consistent with applicable precedents so as to define all provisions of this Agreement valid and
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5
6 DATED: May 19, 2022

PLAINTIFF

7
8 _____
Corey Smith

9
10 DATED: May 19, 2022

VELOCITY AEROSPACE, INC.

11 Enrique Mendez
12 BY: Enrique Mendez
13 TITLE: VP HR

14 DATED: May 19, 2022

HAIG B. KAZANDJIAN LAWYERS APC

15
16 By: _____

17 Haig B. Kazandjian
18 Cathy Gonzalez
19 Attorneys for Plaintiff
COREY SMITH

20 DATED: May 19, 2022

EPSTEIN BECKER & GREEN, P.C.

21 By: _____

22 Jonathan M. Brenner
23 Kevin D. Sullivan
24 Jonathan Assia
25 Attorneys for Defendant
26 VELOCITY AEROSPACE GROUP, INC.
27
28

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS
ANGELES, SPRING STREET COURTHOUSE

If you were a non-exempt employee in the Burbank, CA facility of Velocity Aerospace Group, Inc. in California at any time from January 27, 2016 through [INSERT DATE], a class action settlement may affect your rights.

A court authorized this notice. This is not a solicitation from a lawyer.

- The parties in the action entitled *Corey Smith, et. al. v. Velocity Aerospace Group, Inc.*, Los Angeles Superior Court Case No. 20STCV03159, have reached a settlement and it has been granted preliminary approval by the Court supervising the lawsuit.
- The proposed settlement will resolve all claims in the lawsuit. The Court has ordered that this notice be sent to you because you may be a member of the settlement class.
- The purpose of this notice is to inform you of the settlement of the class action and your legal rights and options under the settlement:
- As further explained below, “Class” and “Class Member” means, and refers to, a member of the class conditionally certified for settlement purposes only during the applicable Settlement Period, consisting of all current and former non-exempt employees who worked for Defendant at its Burbank facility in California at any time during the Settlement Period. “Settlement Period” means, and refers to, the period from January 27, 2016 through the date of the signed Court order granting preliminary approval of Class Action Settlement.
- “PAGA Members” are defined as all current and former non-exempt employees of Defendants who were employed by Defendant in the State of California at any time during the PAGA Period of February 20, 2019 through the date of the signed Court order granting preliminary approval of the PAGA Settlement and cannot opt out of the PAGA portion of the Settlement.

Settlement	
DO NOTHING	Receive an individual settlement payment. If you do not exclude yourself from the Settlement, you will receive an individual settlement payment automatically after final judicial approval of the settlement agreement. You will give up any right to sue Velocity Aerospace Group, Inc. (“Velocity”) and its subsidiaries and affiliates (including Velocity Aerospace – Burbank, Inc. and excluding Velocity Aerospace – E.D.N. Aviation, Inc.) separately about the same and/or similar legal claims at issue in this lawsuit (see pages 4 to 5, number 7). If you are a current non-exempt employee of Velocity Aerospace Group, Inc., your decision as to whether or not to participate in the Settlement will not affect your employment with Velocity Aerospace Group, Inc.

MAIL-IN A WRITTEN EXCLUSION REQUEST	Exclude yourself from the wage portion of the settlement . If you want to opt-out of the settlement, mail a signed written exclusion request to the settlement administrator that is postmarked no later than <u>[insert, 2022]</u>. To opt-out, your written statement must include your name (and former names, if any), current address, telephone number, last four digits of your social security number and signature. Opt-out requests that do not include all required information, or that are not timely submitted, will be disregarded. If you submit a valid and timely opt-out request, you will not be able to participate in the settlement and will not be bound by either the settlement or the judgment. Unless you are also a PAGA Member, defined as all current and former non-exempt employees of Defendants who were employed by Defendant in the State of California at any time during the PAGA Period of February 20, 2019 through the date of the signed Court order granting preliminary approval of the PAGA Settlement, you cannot opt out of the PAGA portion of the Settlement. Nonetheless, PAGA Members, including those Class Members who have opted out of the settlement, shall automatically receive their portion of the PAGA Payment and will release all claims for penalties under PAGA if the Settlement is approved by the Court.
OBJECT	If you participate in the settlement, you may also object to the settlement if you wish. To object, you must submit a written objection that includes your name, current address, last four digits of your social security number, dates of employment, the basis for any objection, any plans to address the Court at the Settlement Fairness Hearing, and a description of any legal briefs, papers or memoranda you propose to submit to the Court, to the settlement administrator that is postmarked no later than _____, 2022. However, any Class Member who does not mail a Notice of Objection, may still be heard by the Court at the Final Approval Hearing on _____, 2022 and may ask to speak regarding his or her objection. The Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak regarding his or her objection.

BASIC INFORMATION

1. Why did I get this notice?

You have received this notice because Velocity Aerospace Group's company records indicate that you worked for Velocity Aerospace Group, Inc. as a non-exempt employee at its Burbank facility in California between the Class Period of January 27, 2016 through _____, 2022 (a "Settlement Class Member"). The purpose of this notice is to advise you of the Settlement and your legal rights and options in this settlement.

2. What is this lawsuit about?

Plaintiff Corey Smith (hereinafter referred to as “Plaintiff”) claims in the lawsuit that Velocity Aerospace Group, Inc. failed to pay straight and overtime wages, failed to provide meal and rest periods, failed to provide accurate itemized wage statements, failed to timely pay waiting time penalties and final wages, failed to reimburse business expenses and associated penalties. Based thereon, Plaintiff also included claims under California’s Business & Professions Code and claims for penalties pursuant to California’s Private Attorneys General Act. Velocity Aerospace Group, Inc. denies all of these allegations and asserts that it has fully complied with all of its legal obligations. Plaintiff believes that the settlement is fair, adequate, and reasonable, and that it is in the best interest of the Settlement Class Members.

3. What is a class action and who is involved?

In a class action, one or more people sue on behalf of other people who they contend have similar claims. The people together are a “Class” or “Class Members.” The person who filed the lawsuit is called the Plaintiff. The company Plaintiff sued (in this case, Velocity Aerospace Group, Inc.) is called the Defendant. The court resolves the issues for everyone in the Class except for those people who choose to exclude themselves from the Class. On _____, 2022, Judge Yvette M. Palazuelos of Los Angeles Superior Court, the judge assigned in this lawsuit, issued an order preliminarily certifying the Settlement Class.

4. Has the Court decided who is right?

The Court has made no ruling on the merits of the Settlement Class Members’ claims. The Court has determined only that certification of the Settlement Class for settlement purposes is appropriate under California law.

THE SETTLEMENT

5. Why is there a settlement?

Both sides agreed to the settlement to avoid the cost and risk of further litigation. The settlement does not mean that any law was broken. Velocity Aerospace Group, Inc. denies all of the claims in the lawsuit. The Plaintiff and his attorneys believe the settlement is in the best interests of all Settlement Class Members.

6. What does the Settlement provide?

Under the terms of the settlement, Velocity Aerospace Group, Inc. agrees to pay a Maximum Settlement Amount of \$175,000. Deducted from this amount will be sums approved by the Court for attorneys’ fees in the lawsuit not to exceed one third of the Maximum Settlement Amount, which is approximately \$58,333.28, reasonable costs incurred by Class Counsel in the lawsuit not to exceed \$12,500, an incentive award to Plaintiff for his services as the class representative not to exceed \$5,000.00, payment to the State of California Labor & Workforce Development Agency (“LWDA”) of \$13,125.00 (75% of \$17,500.00) for alleged penalties and \$4,375 (25% of \$17,500) to be distributed to participating Settlement Class Members, and the fees and expenses of the Settlement Administrator in an amount not to exceed \$7,500.00. The cash amount left is available to pay Settlement Class Members who do not opt-out of the

Settlement.

For each Class Member who does not opt-out of the Settlement, the Settlement Administrator will calculate the payment as follows: First, the Settlement Administrator shall reduce the Settlement Amount of \$175,000.00 by deducting (a) all attorneys' fees, costs and expenses of litigation approved by the Court and awarded to Class Counsel, (b) payment to the LWDA, (c) the enhanced payment for Plaintiff approved by the Court and awarded to Plaintiff, and (d) the sum to be paid to the Settlement Administrator associated with claims administration expenses. Then, each Settlement Class Member's Share will be based on a ratio of his/her individual pay periods worked during the Class Period to the total pay periods worked by all Settlement Class Members who do not request exclusion. The individual settlement payment to each Settlement Class Member will be calculated by dividing the Settlement Class Member's individual pay periods by the total pay periods of all Settlement Class Members and multiplying by the Maximum Settlement Amount that remains after all deductions, (a) through (d) listed above, have been made. The amount you receive will depend on the number of valid exclusion requests submitted, and may be larger or smaller depending on how many valid opt-out requests are submitted.

Velocity Aerospace Group, Inc.'s records indicate that you were employed as a non-exempt employee at its Burbank facility for approximately insert pay periods from January 27, 2016 through insert, 2022.

Because the per-pay-period settlement amount is \$insert, your proportionate share of the Settlement is approximately: \$insert.

If you disagree with the approximate number of pay periods reflected above, you may state the basis of your disagreement and submit documentation supporting your position by no later than insert, 2022, to the Settlement Administrator at the following address: Velocity Aerospace Group, Inc. Settlement, c/o ****. Please be advised that the pay period information listed above is presumed to be correct unless the documents you submit prove otherwise. Any decision by the Settlement Administrator with regard to the disputes as to your pay periods shall be final.

The payments to be received by Settlement Class Members shall be classified as 20% wages, 40% penalties, and 40% interest. The Settlement Administrator shall calculate and deduct from those amounts the employee's share of tax and other required withholdings, and then will pay the resulting amount to Settlement Class Members who do not exclude themselves from the Settlement. Nothing in this notice or the settlement is intended to be tax advice. Settlement Class Members are directed to consult with their own tax advisors concerning the tax consequences of the payments they receive.

Each PAGA Member's Individual PAGA Payment shall be determined by multiplying the PAGA Member-portion of the PAGA Payment (approximately \$4,375.00, which is 25% of the total PAGA Payment of \$17,500.00) by the ratio of (a) the number of Eligible Pay Periods worked by that employee to (b) the total number of Eligible Pay Periods worked by all PAGA Members (including Plaintiff). However, IRS Form 1099s will be issued to PAGA Members for their Individual PAGA Payments, as these are not attributable to wages. Again, nothing in this notice or the settlement is intended to be tax advice. PAGA Members are directed to consult with their own tax advisors concerning the tax consequences of the payments they receive.

7. What am I giving up in exchange for the settlement benefits?

If approved by the Court, the proposed settlement agreement will be binding on all Settlement Class Members who do not timely opt out of the settlement. If you do not opt out of the settlement and the settlement is given final approval, you will release the right to assert all settled claims as described herein below.

However, PAGA Members, including those Class Members who opted out of the settlement, cannot opt out of the PAGA portion of the Settlement. PAGA Members, including those who are Class Members, shall automatically receive their portion of the PAGA Payment and will release all claims under PAGA as set forth in the Settlement, regardless of their decision to opt out of the Settlement, if the PAGA Payment is approved by the Court.

The "Released Parties" mean: Defendant Velocity Aerospace Group, Inc., and its successors in interest, past, present, or future parents, subsidiaries and affiliated corporations (including Velocity Aerospace – Burbank, Inc. and excluding Velocity Aerospace – E.D.N. Aviation, Inc.), and their past, present, or future officers, directors, shareholders, employees, agents, principals, heirs, joint employers, representatives, accountants, auditors, attorneys, consultants, insurers, and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and each of their company-sponsored employee benefit plans, and all of their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents.

By agreeing to be part of the Settlement, you are agreeing to release the following claims you have against the Released Parties, including:

Class Members release all claims, rights, demands, damages, liabilities and causes of action, contingent or vested, in law or in equity, arising at any time during the Settlement Period for unpaid wages or other compensation, and/or related penalties, interest, costs, attorneys' fees, and/or injunctive or other equitable remedies, allegedly owed or available, against Defendant and its respective former, current and future parent companies, subsidiaries (including Velocity Aerospace – Burbank, Inc. and excluding Velocity Aerospace – E.D.N. Aviation, Inc.), affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns, allegedly owed or available or arising out of allegations and operative facts asserted in the operative complaint, or which could have been asserted in the Action based on the alleged facts in the operative complaint, including: (1) failure to pay straight and overtime compensation; (2) failure to provide meal periods; (3) failure to authorize and permit paid rest periods; (4) failure to provide itemized wage statements; (5) failure to pay waiting time penalties; (6) failure to reimburse for business expenses; and (7)

failure to pay minimum wages; (8) unlawful business practices. The release shall include release of claims under California Labor Code sections 201, 202, 203, 204, 210, 223, 510, 510(a), 1194, 1194.2, 1194(a), 1197, 1198, 1199, 218, 218.5, 218.6, 226.7, 226.7(a), 512, 516, 2800, 2802, California Business & Professions Code section 17200 *et seq.*, Sections 11, 12(A) – (B) of the IWC Wage Order(s), any and all claims for attorneys’ fees and costs, and/or California Code of Civil Procedure section 1021. Class Members who are not PAGA Members are not releasing PAGA Claims. Only PAGA Members, including those who are also Class Members, will be releasing PAGA Claims, regardless of whether these Class Members opt out of the Settlement. PAGA Members cannot opt out of the PAGA portion of the Settlement, including the PAGA Release.

PAGA Members release any and all claims for civil penalties under the PAGA alleged in the operative Complaint, or that could have been premised on the facts alleged in the Complaint or LWDA letter that arose during the PAGA period, including: failure to provide overtime and double-time, failure to provide rest and meal breaks, failure to pay minimum wages, failure to provide accurate employment records, failure to pay all wages on time, failure to timely pay upon discharge or resignation, violation of the Wage Theft Prevention Act, failure to reimburse necessary expenditures, failure to provide notice of paid sick time and accrual, and penalties pursuant to PAGA. The release shall include release of claims under PAGA based on alleged violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 246, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, 2699, 2699(a), 2699.3(a), 2699.3(c), 2699.5, 2810.5, and 558. It is understood and acknowledged that the PAGA Release is binding upon all PAGA Members during the PAGA Period, defined as February 20, 2019, through the date of the signed Court order granting preliminary approval of the PAGA Settlement. PAGA Members, including those that are also Class Members who opted out of the Settlement, are not able to opt out of the PAGA portion of the Settlement, including the released PAGA Claims, defined herein. However, Class Members who are not also PAGA Members, are not releasing claims for PAGA penalties.

Any Participating Class Member who timely cashes their Individual Settlement Payment (and, in so doing, becomes a FLSA Settlement Class Member) will also be deemed to have released any claims they may have under the Fair Labor Standards Act, 29 U.S.C. §§ 201, *et seq.* related to the claims alleged in this action. The check mailed to the Participating Class Members will include the following language related to the FLSA release: “By cashing or depositing this check, I hereby opt into the FLSA Settlement Class in the action entitled *Corey Smith, et. al. v. Velocity Aerospace Group, Inc., LASC Case No. 20STCV03159*, and thereby release any related claims to this action that I may have under the Fair Labor Standards Act, 29 U.S.C. §§ 201, *et seq.* as explained in the Notice. If I do not timely cash this check, I will still be subject to the remainder of the Release as explained in the Notice.”

If you do not cash your check within 180 days of issuance, your check will be void and the amount represented by the uncashed check plus interest on that sum at the legal rate of interest from the date of entry of the initial judgment will be paid over to the California State Controller’s Office in your name.

8. How do I get a payment?

If you received this notice by mail, you will receive an Individual Settlement Payment automatically if you do not exclude yourself from the Settlement. PAGA Members shall automatically receive their PAGA Payment as PAGA Members, including those Class Members who opted out of the settlement, cannot opt out of the PAGA Portion of the Settlement only the wage portion of the Settlement.

9. When will I get my payment?

Individual Settlement Payments will be mailed to Settlement Class members who are eligible to receive benefits under the Settlement after the court approves the Settlement, and if there are any appeals, after time for appeals has ended and any appeals have been resolved. PAGA Members shall automatically receive their PAGA Payment as PAGA Members, including those Class Members who opted out of the settlement, cannot opt out of the PAGA Portion of the Settlement only the wage portion of the Settlement. Individual Settlement Payments for Class Members and PAGA Members shall be paid exclusively from the Qualified Settlement Fund and, provided all other pre-payment conditions of the settlement and any applicable court orders are met, shall be mailed within fifteen (15) days after Defendant delivers the Total Maximum Settlement Fund to the Settlement Administrator for deposit into the Qualified Settlement Fund.

WHO IS IN THE SETTLEMENT CLASS

10. Which current and former employees are included?

You are part of the Settlement Class if you worked as a non-exempt employee in the Burbank facility of Velocity Aerospace Group, Inc. in California at any time between January 27, 2016 to _____, 2022.

11. I'm still not sure if I am included.

If you are still not sure whether you are included, you can get free help by calling or writing to the Settlement Administrator at the phone number or address listed in Question 15.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Settlement Class or opt-out of the Settlement Class by insert, 2022.

12. What happens if I do nothing at all?

You don't have to do anything now if you want to receive a share of the money from this settlement. By doing nothing, you stay in the settlement class and you keep the possibility of getting money that may come from this settlement, and you give up any rights to sue Velocity Aerospace Group, Inc. separately about the claims referenced in Section 7.

13. How do I ask the Court to exclude me from the Settlement Class?

Settlement Class members may exclude themselves (“opt-out”) from the Settlement Class by submitting a signed written exclusion request to the Settlement Administrator by mail to Velocity Aerospace Group, Inc. Settlement, c/o **** insert ***, on or before insert, 2022. To opt-out, your written statement must include your name (and former names, if any), current address, telephone number, the last four digits of your social security number, and your signature, and must express that they wish to opt out of the Class Action Settlement in the case. Opt-out requests that do not include all required information, or that are not submitted timely, will be disregarded. Persons who submit valid and timely opt-out requests will not participate in the Settlement and will not be bound by either the Settlement or the Judgment. PAGA Members cannot opt out of the PAGA Payment. PAGA Members shall automatically receive their portion of the PAGA Payment and will release all claims for penalties under PAGA, regardless of their decision to opt out of the Settlement, if the PAGA Payment is approved by the Court.

14. What happens if I exclude myself from the Settlement?

If you exclude yourself now, you will not be bound by, and will not get anything from the settlement. If you ask to be excluded, you will not get an Individual Settlement Payment, and you cannot object to the settlement. But you may sue Velocity Aerospace Group, Inc. in the future asserting similar claims as referenced in Section 7, subject to any defenses that Velocity Aerospace Group, Inc. may assert.

However, PAGA Members cannot opt out of the PAGA Payment, including Class Members who opted out of the settlement. PAGA Members shall automatically receive their portion of the PAGA Payment and will release all claims for penalties under PAGA, if the Settlement is approved by the Court.

15. What if I want to object to the Settlement?

If you are a Settlement Class Member, believe that the settlement should not be finally approved by the Court for any reason, and want the Court to consider your objection, then on or before insert, 2022, you need to mail a written objection containing your name, address, and telephone number, social security number, dates of employment, the factual and legal basis of your objection, your signature, any plans to address the Court at the Settlement Fairness Hearing, and a description of any legal briefs, papers or memoranda you propose to submit to the Court, to the Settlement Administrator at the address below. If you want to object and are represented by an attorney, the written objection shall include the name and address of your attorney. Settlement Class Members have a right to appear at the Settlement Fairness Hearing in order to have their objections heard by the Court.

Settlement Administrator

Velocity Aerospace Group, Inc. Settlement
C/o Simpluris, Inc.

*****, California ****

DO NOT submit both an opt-out statement and an objection. If you submit both, the objection will be disregarded. All objections or other correspondence must state the name and number of the case.

16. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. If your objection is overruled, you will be part of the Settlement, will release your claims, and will receive the payments.

Excluding yourself is telling the court that you do not want to be part of the Settlement Class. If you exclude yourself, you will have no basis to object because the Settlement will no longer affect you.

THE LAWYER REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court decided that Haig B. Kazandjian Lawyers, APC is qualified to represent you and all Settlement Class Members. The law firm is called "Class Counsel." If you have any questions regarding the case or this notice, or you want to communicate with the lawyers representing the Plaintiff, you may contact them at:

COUNSEL FOR PLAINTIFF:

Haig B. Kazandjian, Esq.
Cathy Gonzalez, Esq.
Haig B. Kazandjian, APC
801 N. Brand Blvd, Suite 970
Glendale, California 91203
Tel: (818) 696-2306
Fax: (818) 696-2307

18. Should I get my own lawyer?

If you do not opt-out of this settlement, you do not need to hire your own lawyer because Class Counsel will be working on your behalf. If you opt-out of the class and you start your own lawsuit against Velocity Aerospace Group, Inc., you'll have to hire and pay your own lawyer for that lawsuit, and you'll have to prove your claims.

19. How will the costs and attorney's fees for the lawsuit and the Settlement be paid?

Subject to court approval, Velocity Aerospace Group, Inc. agrees to pay up to \$58,333.28 in attorney's fees, as well as reasonable costs in the amount of up to \$12,500.00 to Class Counsel. Subject to court approval, Velocity Aerospace Group, Inc. also agrees to pay the Class Representative up to \$5,000 each as an enhancement fee for his participation in this lawsuit and for taking on the risk of litigation. The Parties agree to work in good faith to minimize, as much as possible, the Settlement Administration Costs, estimated to be no more than \$7,500.00 to be

paid to the Settlement Administrator, Simpluris. The court may award less than these amounts. Velocity Aerospace Group, Inc. shall pay the s settlement administrator's costs and fees associated with administering the Settlement in an amount up to \$_____.

THE FAIRNESS HEARING

The judge will hold a hearing to decide whether to approve the Settlement.

20. When and where will the Court decide whether to approve the settlement?

The court will hold a hearing at Superior Court of California for the County of Los Angeles, Spring Street Courthouse, located at 312 N. Spring St., Los Angeles, California 90012 in Department 9 on insert, 2022, at insert time. The hearing may be moved to a different location, date and/or time. Any change to the hearing location, date and/or time will be posted to the Settlement Administrator's website located at www._____.com. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are any objections, the Court will consider them. At this hearing, the Court will also decide how much to pay Class Counsel and how much to pay Plaintiff as an enhancement fee.

You are not required to attend the hearing. If you agree to the settlement, you do not have to come to Court to talk about it. You have a right to attend the hearing, but you are not required to do so. You may also retain your own lawyer at your expense to attend on your behalf. If you would like to attend the Final Approval Hearing remotely, you will need to create an account with LA Court Connect and schedule a remote appearance. You may do so by visiting www.lacourt.org/lacc, clicking on the "Creating your Court ID (one time)" link under the "Litigants and Others" section, and following the prompts to create an account and schedule a remote audio or video appearance.

If you plan to attend the Final Approval Hearing in person (or plan to review court files in person), you should note the Court's current social distancing procedures as of October 13, 2020:

- All persons entering any courthouse or courtroom shall wear a face mask over their nose and mouth at all times within public areas of the courthouse or courtroom. Face masks with valves should not be used. Face shields may not be used without a face mask except as required by a physician. Children under the age of two (2) are exempt from the order.
- Persons with a medical condition, mental health condition, or disability that preclude them from wearing a face mask are exempt from this order. Nevertheless, they must take whatever protective measures their condition permits, such as wearing a face shield with a drape on the bottom edge as long as their medical condition allows it. Individuals with disabilities who seek an exemption from this order as a reasonable accommodation pursuant to the Americans with Disabilities Act or Rule 1.100 of the California Rules of Court, should contact the ADA liaison at the courthouse. A list of ADA liaisons is available at www.lacourt.org/ada/adahome.aspx. To reduce the risk of contagion, the matters of individuals exempted from wearing a mask may be scheduled when fewer people are present in court.
- Non-exempt individuals who decline or refuse to wear a face mask will be denied entry to the courthouse and/or courtroom.

- Individuals who remove their face masks after entering the courthouse or courtroom will be reminded to wear them. If they refuse, they may be denied services, may have their legal matters rescheduled, and/or will be asked to leave the courthouse or courtroom immediately. Persons who refuse to leave voluntarily will be escorted out of the courthouse and/or courtroom by Los Angeles Sheriff Department's personnel.
- Maintain at least six (6) feet of physical distance from all persons (except those within your household) at all times. Comply with social distance signage throughout the courthouse.
- Use hand sanitizer when entering the courthouse, practice good hand washing hygiene, and cover coughs and sneezes, preferably with a tissue.

The Court's social distancing procedures may change without further notice to the Class. You may visit the Court's website at www.lacourt.org to see if the Court has updated its social distancing procedures.

21. Address Change

If you move before settlement payments are made, or if the address on this notice is incorrect in any way, you must notify the Settlement Administrator of your updated address to ensure your receipt of your share of the settlement funds.

GETTING MORE INFORMATION

This Notice only summarizes the lawsuit and other related matters. For more information, you may review the Court's files at the Civil Records of the Superior Court of California for the County of Los Angeles, Spring Street Courthouse located at 312 N. Spring St., Los Angeles, California 90012, during business hours of each business day. More details are in the Settlement Agreement. You can get a copy of the settlement agreement by contacting the Settlement Administrator or Class Counsel, by visiting the Settlement Administrator website located at www._____com, or by reviewing the Settlement Agreement and other documents filed in this matter online by entering the case number (20STCV03159) on the Court's website: <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>, and then clicking the link to access document images for the case. If you plan to review court records in person, please check the Court's website at www.lacourt.org to see if the Court has updated its social distancing procedures. Any questions regarding this Notice should be sent to the Settlement Administrator or to Class Counsel. If your address changes or is different from the one on the envelope enclosing this Notice, please promptly notify *****. Please note that your contact information was obtained for purposes of this Settlement only, by Order of the Court, and will not be utilized for any other purpose other than this pending Settlement. Counsel will use all reasonable means to protect your information.

22. Notice of Final Judgment

A notice of final judgment will be posted on the Settlement Administrator's website at www._____.com if the Court approves the settlement at the Fairness Hearing.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES.

EXHIBIT 2

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

February 20, 2020

BY U.S. CERTIFIED MAIL

California Labor & Workforce Development Agency
Attn. PAGA Administrator
800 Capitol Mall, MIC-55
Sacramento, California 95814

VELOCITY AEROSPACE GROUP, INC.
Agent for Service of Process
CSC – Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

REMI RODRIGUEZ
Agent for Service of Process
CSC – Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

**Re: Notice of Labor Law Violations, California Labor Code Section 2698 Et. Seq. to
VELOCITY AEROSPACE GROUP, INC.; REMI RODRIGUEZ**

Dear Labor and Workforce Development Agency Representative,

We are writing on behalf of Mr. COREY SMITH (“EMPLOYEE”) who seeks penalties from VELOCITY AEROSPACE GROUP, INC. (“EMPLOYER”) and REMI RODRIGUEZ (“RODRIGUEZ”) on his own behalf, on behalf of the State of California, and on behalf of all others similarly situated for violations of the California Labor Code and applicable wage law, including but not limited to: California Labor Code sections 201, 202, 203, 204, 206, 226(a), 226.7, 246, 510, 512(a), 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1 1198, 2802, and 2810.5.

MS
EMPLOYEE intends to seek civil penalties, attorney’s fees, costs, and any and all other available relief for violations of the California Labor Code made recoverable under sections 2698, *et seq.*, the Labor Code Private Attorney General Act of 2004 (“PAGA”). EMPLOYEE seeks relief on ~~the~~ their own behalf, on behalf of the State of California, and on behalf of all others who were employed by EMPLOYER, each who suffered one or more Labor Code violations specifically enumerated in the Private Attorney General Act (“aggrieved employees”). This letter is sent in compliance with and pursuant to the reporting requirements of California Labor Code section 2699.3.

HAIG B. KAZANDJIAN

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Factual Background

EMPLOYER employed EMPLOYEE as an hourly-paid, non-exempt employee its 2840 North Ontario Street, Burbank, California 91504 location from approximately July 1, 1987 through November 8, 2019. EMPLOYEE received his last paycheck on or about November 22, 2019. While employed by EMPLOYER, EMPLOYEE worked as a Lab Technician in the Production Lab, making \$29.80 per hour.

EMPLOYEE is informed, believes, and thereupon alleges that EMPLOYER is a California corporation doing business in California. EMPLOYER is an aerospace company that has been providing maintenance, repair, and overhaul services for nearly 100 years. EMPLOYER has numerous locations throughout the world, including locations in California, Florida, Singapore, and the United Kingdom.

EMPLOYEE is informed, believes, and thereupon alleges that RODRIGUEZ is an officer and/or agent of the above entity. Acting in that capacity, at all relevant times RODRIGUEZ oversaw, managed, and/or was otherwise personally responsible for employee compliance with California Labor Code 558 and 558.1. This includes, but is not limited to, employee use of the timekeeping system by fingerprint scan.

EMPLOYEE is informed, believes, and thereupon alleges that at all relevant times, the above-named EMPLOYER instituted and implemented standard practices and procedures for all hourly and/or non-exempt employees in California. This includes, but is not limited to, using the timekeeping system for payroll processing, dissemination of wage statements, oversight and approval of rest breaks, meal breaks, and timekeeping.

EMPLOYEE seeks penalties on behalf of the State of California and all current and former hourly-paid, non-exempt employees (EMPLOYEE approximates EMPLOYER employs 51-200 "aggrieved employees") who worked for EMPLOYER during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"). The purpose of this letter is to comply with the statutory requirements of California Labor Code section 2699.3 and shall constitute notice of the same.

The facts¹ of the aforementioned violations of the California wage-and-hour laws include, but are not limited to, the facts referenced herein.

Violation of Labor Code 510, 1198, and Wage Orders (Overtime and Double Time)

California Labor Code sections 510 and 1198 and the applicable Wage Orders require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a week at the rate of at least time-and-one-half (1.5) times their regular rate of pay

¹ EMPLOYEE reserves the right to present and/or reference further evidence as it is discovered.

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("overtime") for time such worked, and two (2) times their regular rate of pay ("double time") for such hours worked in excess of twelve (12) hours in a day. "Regular rate" includes all remuneration, including non-discretionary bonuses and incentives.

During the relevant time period, EMPLOYEE and other aggrieved employees regularly worked in excess of eight (8), and in excess twelve (12), hours in a workday and/or forty (40) hours in a workweek.

EMPLOYER, willfully failed to pay EMPLOYEE and other hourly-paid, non-exempt employees the wages to which they were entitled. EMPLOYER routinely required this work to be performed before and/or after scheduled shifts, and/or during off-the-clock meal breaks, and/or during rest breaks.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558, 1194, and/or 2699(a), (f)-(g).

Violation of Labor Code 226.7, 512(a), 1198, and Wage Orders (Rest and Meal Breaks)

California Labor Code sections 226.7, 512(a), 1198 and the applicable Wage Orders require employers to pay employees one (1) additional hour of pay at the employees' regular rate for each work day that a meal or rest period was not provided. Additionally, employers cannot require, cause, or permit an employee to work more than five (5) hours per day without providing an uninterrupted meal break. If an employee works over ten (10) hours in a workday, employers are required to either provide a second, uninterrupted thirty (30) minute meal break or pay employees an additional one (1) hour of pay at the employees' regular rate. No employer shall require an employee to work during any rest period. Rest periods are based on the total hours worked in a day, at ten (10) minutes per four (4) hours or major fraction thereof.

EMPLOYER failed to provide EMPLOYEE and other aggrieved employees with the required rest and meal break periods. EMPLOYEE and other aggrieved employees were routinely required to work through these periods instead, because of understaffing, inadequate coverage, unreasonably high workload and expectations, and/or other actions, inactions, or decisions made by and within the sole control and discretion of EMPLOYER.

EMPLOYEE and other aggrieved employees worked shifts in excess of five (5) hours without a meal break, and worked shifts of ten (10) hours or more without a second meal break, due to understaffing, inadequate coverage, unreasonably high workload and expectations, and/or other actions, inactions, or decisions made by and within the sole control and discretion of EMPLOYER.

EMPLOYEE alleges that any purported appearance of meal and rest break compliance is because EMPLOYER systematically and routinely clocked out for and/or otherwise altered the timekeeping records of EMPLOYEE and other aggrieved employees in an attempt to hide the

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aforementioned infractions. EMPLOYER, knowingly and contrary to law and public policy, employed a tactic of clocking-out employees for rest and/or meal periods that were never taken and/or otherwise falsifying or altering timekeeping records.

EMPLOYER knew, or should have known, that their behavior caused EMPLOYEE and other aggrieved employees to work through the above-described meal and/or rest periods. As a company-wide policy, EMPLOYER still chose not to pay meal and rest period premiums required by law.

Pursuant to the foregoing, EMPLOYER violated California Labor Code sections 226.7, 512, and 1198. EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 1182.12, 1194, 1197, 1197.1, and 1198 (Minimum Wage)

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay the minimum wage as set by the IWC.

Due to the company-wide failures of EMPLOYER, EMPLOYEE and other aggrieved employees were forced to work off-the-clock, and/or during rest breaks, and/or during meal breaks. EMPLOYER failed to pay EMPLOYEE and other aggrieved employees minimum wage for this time and/or falsified timekeeping records to hide this fact.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 226(a), 1174(d), and 1198 (Accurate Employment Records)

California Labor Code 226(a) requires employers to create and provide to employees true and accurate employment records. California Labor Code section 226(e) provides that if an employer fails to provide an employee with same, the employee is entitled to recover the greater of all actual damages, or \$50.00 for an initial infraction, and \$100 per employee for each subsequent violation in any pay period. California Labor Code 226.3 imposes civil penalties on any employer in violation of section 226(a) at \$250 per employee violation in an initial citation, and \$1,000 per employee for each subsequent violation.

California Labor Code 1174(d) requires employers to keep payroll records showing hours worked, and wages paid to and/or number of piece-rate units earned, for all employees. California Labor Code section 1174.5 subjects employers to a \$500 penalty for failing to maintain same.

California Labor Code section 1198 provides that maximum hours and standard conditions of labor are fixed by the Labor Commissioner in the applicable Wage Orders. Pursuant to the

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applicable Wage Order, employers must keep accurate records of when employees begin and end each work period and each meal period.

EMPLOYER knowingly provided employees with records that do not meet the statutory requirements of truth and accuracy, because, EMPLOYER failed to truthfully and accurately document, among other things, employees rest breaks, meal breaks and off-the-clock work. Accordingly, EMPLOYER did not list the correct amount of gross or net wages earned by EMPLOYEE and other aggrieved employees.

The statements in question are deficient in many other ways, including, but not limited to: failure to list total hours worked, failing to list applicable hourly rates and the numbers of hours worked at each rate, failure to track sick leave, and/or failure to state all hours worked as a result of off-the-clock work.

EMPLOYER willfully failed to maintain accurate payroll records for EMPLOYEE and other aggrieved employees as a result of EMPLOYERS failure to accurately record employees rest breaks, meal breaks, and off-the-clock work.

EMPLOYER failed to accurately keep records of start and stop times for meal periods and/or work shifts. EMPLOYERS failure makes it impossible for EMPLOYEE and other aggrieved employees to accurately determine the extent of their underpayment, thereby causing further injuries to each of them.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 226(e), 226.3, 1174.5, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 204 (All Wages Paid on Time)

California Labor Code section 204 requires that all wages earned, other than those due upon termination, be paid on time as defined by the statute.

EMPLOYER failed to pay EMPLOYEE and other aggrieved employees all wages due to them, including, but not limited to: overtime, minimum wages, rest period premium wages, and/or meal period premium wages within the statutorily required time period.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 201, 202, and 203 (Timely Payment Upon Discharge or Resignation)

California Labor Code sections 201, 202, and 203 provide that employees who are terminated are due all wages earned immediately. Employees who resign their employment without 72-hour notice are due all wages earned in 72 hours. Employees who resign their

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employment giving 72-hour notice are entitled to all wages earned at the time their resignation becomes effective.

EMPLOYER willfully failed to timely pay EMPLOYEE and other aggrieved employees who are no longer employed by EMPLOYER all wages earned, including, but not limited to: overtime, minimum wages, rest period premium wages, and/or meal period premium wages.

EMPLOYER further willfully failed to pay EMPLOYEE timely when EMPLOYER failed to pay EMPLOYEE upon termination.

Attached hereto as "Exhibit A" are examples of such violations. Page one (1) and page two (2) of Exhibit A show that EMPLOYEE was terminated on November 8, 2019. Page three (3) of Exhibit A shows that EMPLOYEE received his final pay on November 22, 2019.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 2810.5(a)(1)(A)-(C) (Wage Theft Prevention Act)

Codified in California Labor Code section 2810.5, California's Wage Theft Protection Act requires employers to provide employees with basic information at the time of hiring and when changes occur to their employment. The Wage Theft Protection Act provides that an employee must be furnished with written notice of, at the time of hiring; rate of pay (including overtime), whether paid by hour, salary, piece-rate, shift, day, week, commission, or otherwise, and allowances claimed such as meal or lodging. This notice must include a statement that the employee can accrue and use sick leave, has the right to request and use paid sick leave, may not be terminated or retaliated against for requesting or using paid sick leave, and has the right to file a complaint against any employer who does so retaliate.

EMPLOYER failed to furnish EMPLOYEE and other aggrieved employees with such written notices as required.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 2802 (Reimbursement of Necessary Expenditures)

California Labor Code Section 2802 requires that an employer indemnify employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties.

EMPLOYEE and other aggrieved employees were directed and expected to incur personal expenses on behalf of EMPLOYER while performing their job duties. Such personal expenses

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include, but are not limited to: use of personal cell phone, and purchasing hand tools. EMPLOYEE and the other aggrieved employees would not have been able to successfully accomplish their job duties absent incurring these personal expenses. EMPLOYER(S) failed to indemnify EMPLOYEE and other aggrieved employees for all necessary expenditures or losses accordingly.

Pursuant to the foregoing, EMPLOYEE and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 246 (Notice of Paid Sick Time and Accrual)

California Labor Code section 246 provides that an employee who works for the same employer for more than 30 days is entitled to paid sick days. Paid sick leave is to accrue at a rate not less than one hour per every 30 hours worked, such accrual beginning at the commencement of employment. Employers must provide employees with written notice setting the amount of sick leave available (or paid time off in lieu thereof) for use on either itemized wage statements (as described in Labor Code section 226) or in a separate writing accompanying such wage statements.

EMPLOYER failed to provide EMPLOYEE and other aggrieved employees with such information and/or paid sick time and/or paid time off in lieu thereof in accordance with the statute.

California Labor Code 558(a) (Civil Penalties)

California Labor Code section 558(a) provides that any employer, including individuals acting on behalf of employers, that violates, or causes to be violated, a section of the Labor Code or any applicable Wage Orders are subject to the following penalties;

- \$50 for any initial violation for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover unpaid wages;
- \$100 for each subsequent violation for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount to recover unpaid wages;

Labor Code section 558(c) provides that the penalties in this section are in addition to any other civil penalty.

EMPLOYER was and is an employer, and RODRIGUEZ, acting on behalf thereof, violated EMPLOYEE and other aggrieved employees' rights by violating, or causing to be violated, various sections of this code as described throughout this notice letter.

Conclusion

Pursuant to the foregoing, EMPLOYEE seeks remedies set forth in Labor Code section 558 for themselves, the State of California, and all other aggrieved employees. Pursuant to California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), 2699.5, and 558, EMPLOYEE,

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acting in the public interest as Private Attorney General, seeks the applicable penalties for themselves, all other aggrieved employees, and the State of California against EMPLOYER for violations of Labor Code sections, including, but not limited to: 201, 202, 203, 204, 206, 226(a), 226.7, 246, 510, 512(a), 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1 1198, 2802, and 2810.5, and any and all other applicable law.

If you have questions or require additional information, please do not hesitate to contact us. Thank you in advance for your attention to this matter.

Very truly yours,

Haig B. Kazandjian Lawyers, APC

Haig B. Kazandjian, Esq.
Cathy Gonzalez, Esq.
Kevin P. Crough, Esq.

EXHIBIT A



Employee Final Vacation Calculator

Employee: Corey Smith
Division: BUR
Hire Date: 7/1/1987
Termination Date: 11/8/2019
Days worked term month: 8

Monthly Hours Accrued	16.67
Current Balance	221.53
Next Posted Accrual (If Applicable)	
Prorate (If Applicable)	4.45
Vacation Payout	225.98

[illegible]

Employee Statement of Earnings

1/1/2016 to 12/31/2019

3/24/2019	3/29/2019	V286835	2,427.71	2,427.71	0.00	0.00	144.08	33.69	252.23	81.45	23.24	249.47	1,643.55	0.00	1,643.55	Vac Pay Out Sick	80.00	2,360.00
																Overtime	3.95	176.52
4/7/2019	4/12/2019	V296326	2,471.37	2,471.37	0.00	0.00	146.79	34.33	261.26	85.06	23.67	252.09	1,668.17	0.00	1,668.17	Regular Pay Overtime	76.05	2,243.48
																Regular Pay	2.53	111.96
4/21/2019	4/26/2019	V304468	2,370.91	2,370.91	0.00	0.00	140.56	32.86	240.49	76.75	22.67	246.06	1,611.50	0.00	1,611.50	Vacation Overtime	63.98	1,887.41
																Regular Pay	16.00	472.00
5/6/2019	5/10/2019	V313837	2,436.55	2,436.55	0.00	0.00	144.63	33.82	254.06	82.18	23.33	250.00	1,648.53	0.00	1,648.53	Vacation Overtime	0.28	12.39
																Regular Pay	79.95	2,359.52
5/19/2019	5/24/2019	V323093	2,375.93	2,375.93	0.00	0.00	140.87	32.96	241.52	77.17	22.72	246.37	1,614.33	0.00	1,614.33	Regular Pay Vacation	47.97	1,415.12
																Sick	32.00	944.00
6/2/2019	6/7/2019	V332469	2,394.51	2,394.51	0.00	0.00	142.02	33.21	245.37	78.70	22.91	247.48	1,624.82	0.00	1,624.82	Overtime Regular Pay	7.40	216.30
																Regular Pay	0.38	16.81
6/16/2019	6/21/2019	V342268	2,386.07	2,386.07	0.00	0.00	141.44	33.08	243.41	77.92	22.81	246.91	1,619.50	0.00	1,619.50	Holiday Overtime	72.57	2,140.82
																Regular Pay	0.78	34.51
6/30/2019	7/5/2019	V351723	2,368.27	2,368.27	0.00	0.00	140.40	32.83	239.94	76.53	22.65	245.91	1,610.01	0.00	1,610.01	Regular Pay Overtime	72.00	2,124.00
																Regular Pay	8.00	226.00
7/14/2019	7/19/2019	V362357	2,361.63	2,361.63	0.00	0.00	139.98	32.74	238.57	75.98	22.58	245.51	1,606.27	0.00	1,606.27	Holiday Overtime	0.80	26.55
																Regular Pay	79.95	2,358.52
7/28/2019	8/2/2019	V372757	2,566.21	2,566.21	0.00	0.00	152.67	35.71	280.87	92.91	24.62	257.78	1,721.65	0.00	1,721.65	Regular Pay Overtime	79.53	2,346.14
																Regular Pay	0.05	2.22
8/11/2019	8/16/2019	V384139	2,477.55	2,477.55	0.00	0.00	147.17	34.42	262.54	85.57	23.74	252.46	1,671.65	0.00	1,671.65	Vacation Holiday	23.98	707.41
																Regular Pay	48.00	1,416.00
8/25/2019	8/30/2019	V386100	2,370.47	2,370.47	0.00	0.00	140.54	32.86	240.39	76.72	22.66	246.04	1,611.26	0.00	1,611.26	Holiday Overtime	8.00	226.00
																Regular Pay	4.68	207.09
9/8/2019	9/13/2019	V409164	2,444.19	2,444.19	0.00	0.00	145.10	33.94	255.64	82.81	23.41	250.46	1,652.83	0.00	1,652.83	Regular Pay Overtime	79.97	2,358.12
																Regular Pay	2.67	118.14
9/22/2019	9/27/2019	V420819	2,401.57	2,401.57	0.00	0.00	142.46	33.32	246.83	79.29	22.87	247.90	1,628.80	0.00	1,628.80	Regular Pay Overtime	0.47	20.79
																Regular Pay	79.65	2,349.68
10/6/2019	10/11/2019	V437593	2,393.08	2,393.08	0.00	0.00	141.94	33.19	245.07	78.59	22.90	247.39	1,624.00	0.00	1,624.00	Regular Pay Vacation	1.38	61.66
																Regular Pay	68.12	2,029.98
10/20/2019	10/25/2019	V451896	2,431.23	2,431.23	0.00	0.00	144.30	33.75	252.96	81.74	23.27	249.68	1,645.53	0.00	1,645.53	Holiday Overtime	3.83	114.13
																Regular Pay	8.00	226.40
11/3/2019	11/8/2019	V467150	2,429.00	2,429.00	0.00	0.00	144.16	33.71	252.50	81.56	23.25	249.55	1,644.27	0.00	1,644.27	Vacation Sick	7.59	226.18
																Regular Pay	0.48	21.45
11/17/2019	11/22/2019		7,977.75	7,977.75	0.00	0.00	489.26	114.43	1,554.97	614.61	78.92	565.17	4,560.19	0.00	4,560.19	Overtime Sick	72.28	2,153.94
																Regular Pay	0.25	11.17
																Vacation	47.83	1,428.31
																Overtime	32.00	933.60
																Regular Pay	1.07	47.83
																Regular Pay	79.88	2,383.40
																Overtime	4.00	119.20
																Regular Pay	1.02	45.60
																Overtime	75.88	2,264.20
																Regular Pay	5.00	149.00
																Sick	1.10	49.17
																Regular Pay	35.08	1,045.38