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25 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
26 **FOR THE COUNTY OF LOS ANGELES**

27 COREY SMITH, on behalf of himself and all
28 others similarly situated,

Plaintiffs,

vs.

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

Defendants.

Case No.: 20STCV03159

**JOINT STIPULATION RE CLASS
ACTION SETTLEMENT**

Assigned to Hon. Yvette M. Palazuelos Dept. 9

Complaint filed: January 27, 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, as set forth infra in Section III, Paragraph 12.

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 in Section III, Paragraph 8, Class
20 Counsel shall request, and Defendant will not oppose, an award of attorneys’ fees of up to fifty-
21 eight thousand, three hundred and thirty-three dollars and twenty-eight cents (\$58,333.28) or
22 one-third of the Total Maximum Settlement Fund) and a Cost Award of up to \$12,500.00. The
23 Attorneys’ Fees and Cost Award shall come out of the Total Maximum Settlement Fund and
24 will not increase the amount of the Total Maximum Settlement Fund. Class Counsel will be
25 issued IRS Form 1099 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” mean, and refer 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. Defendant represents
21 that from January 27, 2016 through February 15, 2021, there were approximately 77 Class
22 Members comprising this Class for purposes of this Settlement. If the actual number of Class
23 Members from January 27, 2016 through February 15, 2021 should exceed 77 by more than five
24 percent (5%), then the parties agree that the Gross Settlement shall be increased by the
25 percentage difference beyond five percent (5%) between the certified amount of 77 and the
26 actual number of Class Members or, in the alternative, Defendant in its sole discretion may void
27 this Settlement.

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

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

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

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

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

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

22 15. “Effective Date” means the following: (a) if no one objects to the settlement,
23 then the Effective Date will be the first day after service by Plaintiff on Defendant of the Final
24 Order and Judgment following a Final Fairness and Approval hearing; (b) if a Class Member
25 timely objects to the settlement, and if an appeal, review, or writ is not sought from the Final
26 Order and Judgment, then the Effective Date will be sixty-one (61) days after service of the
27 Final Order and Judgment by Plaintiff on Defendant and any Objectors; or (c) if a Class
28 Member timely objects to the settlement, and if an appeal, review or writ is sought from the

1 Final Order and Judgment, then all of Defendant's remaining obligations under this Agreement
2 will be stayed until the day after the Judgment is affirmed, or the appeal or writ is dismissed or
3 denied (or the time for filing an appeal or writ expires) which day will then be the Effective
4 Date.

5 16. "Excluded Class Members" means, and refers to, all Class Members, if any, who
6 timely and validly submit a written request to be excluded from the Class on or before the
7 Objection/Exclusion Deadline Date, as defined in Section I, Paragraph 26, *infra*.

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

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

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

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

18 21. "General Release" means, and refers to, the release in which the Named
19 Plaintiff, in his individual capacity and with respect to his individual claims only, and in
20 exchange for his Service Award, agrees to release the Released Parties from all claims,
21 demands, rights, liabilities and causes of action of every nature and description whatsoever,
22 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
23 violation of any collective bargaining agreement, and/or any state or federal statute, rule or
24 regulation arising out of, relating to, or in connection with any act or omission by or on the part
25 of any of the Released Parties committed or omitted during the Settlement Period Date,
26 including a waiver of Civil Code §1542. Civil Code section 1542 reads as follows:

27 **Section 1542. [General Release – Claims Extinguished.] A**
28 **general release does not extend to claims that the creditor or**

1 releasing party does not know or suspect to exist in his or her
2 favor at the time of executing the release and that, if known by
3 him or her, would have materially affected his or her settlement
4 with the debtor or released party.

5 22. "Individual Settlement Payment" means, and refers to, the amount to be paid to
6 each individual Participating Class Member from the Net Settlement Amount. The estimated
7 Individual Settlement amount shall be indicated on the Notice. Individual Settlement Payment
8 for each individual Participating Class Member will result from the calculations set forth in
9 Section III, paragraph 12, *infra*, less all applicable state and federal withholding taxes, including
10 FICA, FUTA and SDI contributions and any other applicable payroll deductions required by
11 law as a result of the payment of the amount allocated to such Participating Class Members
12 under the terms of this Stipulation.

13 23. "Named Plaintiff" means Corey Smith.

14 24. "Net Settlement Amount" or "NSA" means, and refers to, the funds available to
15 be distributed to Participating Class Members from the Total Maximum Settlement Fund after
16 payment of any Attorneys' Fees and Cost Awards, Service Awards, Settlement Administration
17 Costs, and after Seventy Five Percent (75%) of the seventeen thousand, five hundred dollars
18 (\$17,500.00) allocated to PAGA is paid to the California Labor Workforce Development
19 Agency ("LWDA"), which equates to Thirteen Thousand One Hundred and Twenty Five
20 Dollars and Zero Cents (\$13,125.00).

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

24 26. "Objection/Exclusion Deadline" means, and refers to, the date no later than
25 forty-five (45) calendar after the date the Notice Packets are mailed (judged by the postmark
26 date) to Class Members by the Settlement Administrator, on or before which a Class Member
27 may (1) validly submit a Notice of Objection, (2) submit a Request for Exclusion, or (3)
28

1 challenge with documentary evidence his or her Total Pay Periods, with an additional fifteen
2 (15) days for re-mailed notices.

3 27. "PAGA Payment" means, and refers to seventeen thousand, five hundred dollars
4 (\$17,500.00) of the Total Maximum Settlement Fund, which constitutes penalties pursuant to
5 PAGA, Labor Code section 2699(i). It will be distributed as follows: 25% to the Participating
6 Class Members and 75% to the California Labor and Workforce Development Agency which
7 equates to Eighteen Thousand Seven Hundred Fifty Dollars (\$13,125.00). The 25% portion of
8 the PAGA Payment that shall be paid to the Participating Class Members shall remain within
9 the Net Settlement Amount so that it is available to be included within the calculation of the
10 Participating Class Members' Individual Settlement Payments.

11 28. "Participating Class Member" means, and refers to, any and all Class Members
12 who are not Excluded Class Members.

13 29. "Parties" means, and refers to, Defendant, the Named Plaintiff, and the
14 Participating Class Members.

15 30. "Preliminary Approval Order" means, and refers to, the Order issued by the
16 Court preliminarily approving the terms of the Settlement set forth in this Stipulation, in a form
17 to be agreed upon by the Parties prior to the hearing on the Motion for Preliminary Approval.

18 31. "Preliminary Approval Date" means, and refers to, the date that the Court enters
19 the Preliminary Approval Order.

20 32. "Preliminary Approval Hearing" means, and refers to, the hearing on Named
21 Plaintiff's Motion for Preliminary Approval, as discussed in Section III, Paragraph 10, *infra*.

22 33. "Qualified Settlement Fund" means, and refers to, the fund to be established by
23 the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 into which
24 Defendant will deposit the Total Maximum Settlement Fund within fifteen (15) days following
25 the Effective Date.

26 34. "Released Claims" means all claims, rights, demands, damages, liabilities and
27 causes of action, whether known or unknown, contingent or vested, in law or in equity, arising
28 at any time during the Settlement Period for unpaid wages or other compensation, and/or related

1 penalties, interest, costs, attorneys' fees, and/or injunctive or other equitable remedies,
2 allegedly owed or available, against Defendant and its respective former, current and future
3 parent companies, subsidiaries (including Velocity Aerospace – Burbank, Inc. and excluding
4 Velocity Aerospace – E.D.N. Aviation, Inc.), affiliates, shareholders, members, agents
5 (including, without limitation, any investment bankers, accountants, insurers, reinsurers,
6 attorneys and any past, present or future officers, directors and employees) predecessors,
7 successors, and assigns, allegedly owed or available or arising out of allegations and operative
8 facts asserted in the operative complaint or Plaintiff's LWDA letter, or which could have been
9 asserted in the Action based on the alleged facts in the operative complaint or Plaintiff's LWDA
10 letter, including: (1) failure to pay straight and overtime compensation; (2) failure to provide
11 meal periods; (3) failure to authorize and permit paid rest periods; (4) failure to provide
12 itemized wage statements; (5) failure to pay waiting time penalties; (6) failure to reimburse for
13 business expenses; (7) failure to pay minimum wages; (8) unlawful business practices; and (9)
14 penalties pursuant to PAGA. The release shall include release of California Labor Code
15 sections 201, 202, 203, 204, 206, 210, 218.5, 218.6, 223, 226, 226.3, 226.7, 510, 512, 558,
16 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2698 *et seq.*, California
17 Business & Professions Code section 17200 *et seq.*, based on these Labor Code sections, the
18 relevant Wage Orders issued by the Industrial Welfare Commission, any and all claims for
19 attorneys' fees and costs, and/or California Code of Civil Procedure section 1021.

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

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

8 37. “Settlement Period” means, and refers to, the period from January 27, 2016
9 through the date of the signed Court order granting preliminary approval of Class Action
10 Settlement.

11 38. “Settlement Award” means, and refers to, total portion of the Net Settlement
12 Amount payable to each Class Member after deduction of all applicable state and federal
13 employment withholding taxes, FICA and FUTA contributions and any other applicable payroll
14 deductions required by law.

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

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

27 41. “Per-Pay-Period Settlement Amount” means, and refers to, the amount to be paid
28 to Participating Class Members for each Class Member Pay Period. The Per-Pay-Period

1 Settlement Amount is the dollar amount resulting from the Net Settlement Amount being
2 divided by the Aggregate Pay Period Number. The estimated Per-Pay-Period Settlement
3 Amount shall be indicated on the Notice.

4 42. "Pay Period" is any two-week period during the Settlement Period in which a
5 Class Member was paid for working for Defendant in California.

6 **II. RECITALS**

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

10 **A. PROCEDURAL HISTORY**

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

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

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

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

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

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

18 48. The Parties have conducted significant investigation of the facts and law during
19 the prosecution of this Action. Discovery and investigation included: the production of
20 documents by both sides as part of informal discovery, including Defendant's employee
21 handbooks, policies and procedures regarding the payment of wages, time keeping, overtime,
22 meal and rest periods and the production of a sampling of detailed voluminous class-wide
23 payroll and time punch data by Defendant in response to informal requests for information for
24 the purpose of mediation, numerous conferences between representatives of the Parties and a
25 full day-long mediation session with Steve Pearl, Esq., an experienced mediator of wage-and-
26 hour class actions. The mediation session with Mr. Pearl occurred on March 18, 2021.

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

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

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

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

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

24 51. Defendant does not admit any wrongdoing and contends that it fully complied
25 with the law at all times in all respects. This Agreement shall not constitute an admission on
26 behalf of Defendant of any form of liability or accuracy of any allegation made by Plaintiff or
27 Class Counsel. Whether the Settlement is finally approved, neither this Settlement, nor any
28 terms, document, statement, proceeding or conduct related to settlement, nor any reports or

accounts thereof, shall in any event be (a) Construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose, including, but not limited to, evidence of a presumption, concession, indication, or admission by Defendant of any fault, wrongdoing, liability and/or unlawful activity whatsoever or any effort to certify a class or collective action; or (b) Disclosed, referred to, or offered or received in evidence, in any further proceeding in this action, or any other civil, criminal or administrative action or proceeding except for purposes of settling this Action or enforcing this Settlement, or as a defense to any claims released by the Settlement. Payment of wages does not extend or alter the Class Members' period of employment for any purpose.

G. NAMED PLAINTIFF'S CLAIMS

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

III. STIPULATION AND AGREEMENT

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

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

55. Release As To All Participating Class Members. As for the Settlement Period as defined in Section I, Paragraph 37, *supra*, the Participating Class Members, including the Named Plaintiff, release the Released Parties, as defined in Section I, Paragraph 35 *supra*, for

1 the Released Claims as defined in Paragraph 34, *supra*. This Release is effective as of the date
2 that the Settlement Administrator mails out the Settlement Checks to the Participating Class
3 Members.

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

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

26 **A general release does not extend to claims that the creditor or**
27 **releasing party does not know or suspect to exist in his or her**
28 **favor at the time of executing the release and that, if known by**

1 **him or her, would have materially affected his or her settlement**
2 **with the debtor or released party.**

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

14 58. Service Award. Subject to Court approval, and expressly in exchange
15 for the release of all Released Claims, and for his time and effort in bringing and prosecuting
16 this matter, Named Plaintiff shall be paid a Service Award up to a total of Five Thousand
17 Dollars (\$5,000.00), or such other distribution or lower amount as the Court may order. The
18 Service Award shall be paid from the Total Maximum Settlement Fund and shall not increase
19 the Total Maximum Settlement Fund. The Service Award shall be paid to the Named Plaintiff
20 by the Settlement Administrator no later than fifteen (15) days after Defendant delivers the
21 Total Maximum Settlement Fund to the Settlement Administrator for deposit into the Qualified
22 Settlement Fund. The Parties agree that a decision by the Court to award Named Plaintiff an
23 amount less than the amount stated above shall not be a basis for Class Counsel to void this
24 Stipulation. The Settlement Administrator shall issue Named Plaintiff an IRS Form 1099 for
25 the Service Award. Any amount awarded for service payments to the Named Plaintiff less than
26 the requested amounts will result in the non-awarded funds to be awarded to Participating Class
27 Members on a proportionate basis to the amount of their Individual Settlement Payment. The
28 Named Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on

1 this payment. The Service Award shall be paid in addition to the Named Plaintiff's share of the
2 Settlement Amount as a Participating Class Member.

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

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

1 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
2 ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
3 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
4 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
5 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

6 61. Creation Of The Qualified Settlement Fund And Administration Of The
7 Settlement. Within twenty-one (21) days after the Effective Date, Defendant shall deliver the
8 sum of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) representing the Total
9 Maximum Settlement Fund as required by this Stipulation into the Qualified Settlement Fund
10 created by the Settlement Administrator. In addition, and separate to the One Hundred Seventy-
11 Five Dollars (\$175,000.00) Total Maximum Settlement Fund payment, Defendant is also
12 required to pay, and will deliver into the Qualified Settlement Fund, its share of taxes, including
13 the employer's portion of payroll taxes, including but not limited to, FICA, FUTA and SDI
14 contributions. In addition to the employer's portion of payroll taxes, payments from the
15 Qualified Settlement Fund shall be made (1) for the Service Award to the Named Plaintiff, as
16 specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award
17 to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the
18 Settlement Administration Costs; and (4) the amount allocated to PAGA penalties to be paid to
19 the California Labor Workforce and Development Agency. The balance remaining shall
20 constitute the Net Settlement Amount from which Individual Settlement Payments shall be
21 made to Participating Class Members, less applicable taxes and withholdings.

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

26 63. Defendant further agrees not to oppose any application or motion by Class
27 Counsel for the reimbursement of any costs associated with Class Counsel's prosecution of this
28 matter not in excess of Twelve Thousand Five Hundred Dollars (\$12,500.00). Class Counsel

1 will provide verification of the cost amount that it is seeking to be reimbursed. Any amount
2 awarded for attorneys' fees and costs to Class Counsel less than Fifty-Eight Thousand Three
3 Hundred Thirty-Three Dollars and Twenty-Eight Cents (\$58,333.28), or Twelve Thousand Five
4 Hundred Dollars (\$12,500), respectively, will result in the non-awarded amounts to be awarded
5 to Participating Class Members on a proportionate basis to the amount of their Individual
6 Settlement Payments. Class Counsel shall be paid any Court-approved fees and costs no later
7 than twenty-one (21) days after Defendant delivers the Total Maximum Settlement Fund to the
8 Settlement Administrator for deposit into the Qualified Settlement Fund. Class Counsel shall be
9 solely and legally responsible to pay all applicable taxes on the payment made. Forms 1099 –
10 MISC, Box 14 shall be provided to Class Counsel for the payments made, and Class Counsel
11 shall provide, before the Effective Date, properly completed Forms W-9.

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

1 detailing the costs of administration of the Total Maximum Settlement Fund and the breakdown
2 of the Total Maximum Settlement Fund.

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

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

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

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

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

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

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

3 a. Settlement administrator, Simpluris mutually agreed upon by the Parties,
4 shall be retained to serve as Settlement Administrator. The Parties each represent they do not
5 have any financial interest in the Settlement Administrator or otherwise have a relationship with
6 the Settlement Administrator that could create a conflict of interest.

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

9 c. Within fourteen (14) days of receipt of the Class List and Data Report,
10 the Settlement Administrator shall mail the Notice Packet to each Class Member in accordance
11 with Section III, Paragraph 13, *infra*.

12 d. Participating Class Members will be eligible to receive an Individual
13 Settlement Payment, calculated in accordance with Section III Paragraph 12, *infra*.

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

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

21 g. The Settlement Administrator shall be responsible for: The Settlement
22 Administrator shall be responsible for: printing and mailing the Notice Packet in English as
23 directed by the Court; receiving and reporting the objections/requests for exclusion and
24 challenges to the Individual Settlement Payments submitted by Class Members; mailing the
25 payment to the Labor & Workforce Development Agency; and other tasks as the Parties
26 mutually agree or the Court orders the Settlement Administrator to perform (including the
27 calculation and remittance of employer taxes which will be paid by Defendant in addition to the
28 Total Maximum Settlement Amount). The Settlement Administrator shall keep Defendant,

1 Defendant's counsel and Class Counsel timely apprised of the performance of all Settlement
2 Administrator responsibilities. Translation to any other language is not required as all of
3 Defendant's employees can read English.

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

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

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

14 67. Calculation Of Individual Settlement Payments. The Individual Settlement
15 Payments will be calculated as follows:

16 a. The Settlement Administrator will be provided each Class Members'
17 Total Pay Periods as defined in Section I, Paragraph 40, *supra*, based on the Class List and Data
18 Report, which shall be presumed to be correct. If a Class Member disagrees with his or her
19 Total Pay Periods, which shall be set forth in the Notice and in the "Class Member Pay Period
20 Optional Response Form" included in the Notice Packet, he or she may challenge the Total Pay
21 Periods in the manner set forth in Section III, Paragraph 14(c), *infra*.

22 b. The Settlement Administrator will calculate the Aggregate Pay Period
23 Number by adding the sum of all of the Participating Class Members' Total Pay Periods.

24 c. The Settlement Administrator will divide the Net Settlement Amount by
25 the Aggregate Pay Period Number to calculate the Per-Pay-Period Settlement Amount. The
26 estimated Per-Pay-Period Settlement Amount shall be indicated on the Notice.

27 d. The Settlement Administrator will calculate each Class Members'
28 Individual Settlement Award by multiplying his or her Total Pay Periods times the Per-Pay-

1 Period Settlement Amount. Each Class Member's estimated Individual Settlement Award will
2 be indicated on the Notice.

3 e. The Per-Pay-Period Settlement Amount and Individual Settlement Award
4 estimates indicated on the Notice are subject to change, depending on factors including: (i) how
5 many Class Members become Excluded Class Members (resulting in their Total Pay Periods
6 being removed from the final Aggregate Pay Period Number, thereby increasing the final Per-
7 Pay-Period Settlement Amount); (ii) any changes to the Total Pay Periods resulting from
8 challenges to Total Pay Periods submitted by Class Members resulting in pay period
9 adjustments, which may increase or decrease the final Aggregate Pay Period Number and the
10 final Per-Pay-Period Settlement Amount; and (iii) any increases or reductions in the Net
11 Settlement Amount which may result from, *inter alia*, changes to the actual amount of PAGA
12 Payment, and/or Settlement Administration Costs approved by the Court.

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

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

22 i. No withholding shall be made on the Non-Wage Component of
23 the settlement. The Settlement Administrator will issue an IRS Form 1099 for the Non-Wage
24 Component.

25 ii. The Net Wage Component shall be added to the Non-Wage
26 Component, resulting in each Participating Class Members Individual Settlement Payment.

27 h. The Settlement Administrator, on Defendant's and Class Counsel's
28 collective behalf, shall have the authority and obligation to make payments, credits and

1 disbursements, including payments and credits in the manner set forth herein, to Class Members
2 calculated in accordance with the methodology set out in this Agreement and orders of the
3 Court. The Settlement Administrator shall be responsible for calculating and withholding all
4 required state and federal taxes.

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

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

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

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

23 c. Objection/Exclusion Deadline Date and Deadline to Challenge Total Pay
24 Periods: Class Members will have forty-five (45) calendar days from the mailing of the Notice
25 Packet to submit an objection and/or request for exclusion from the Settlement, or challenge the
26 Total Pay Periods by providing their claimed pay periods to the Settlement Administrator along
27 with documentary evidence, as set forth *infra*, Section III, Paragraph 14(c). Class members
28

1 whose notices are re-mailed will have an additional fifteen (15) days to submit an objection
2 and/or request for exclusion and/or pay period challenge.

3 d. Procedure For Undeliverable Notices. Any Notices returned to the
4 Settlement Administrator as non-delivered on or before the Objection/Exclusion Deadline Date
5 shall be sent to the forwarding address affixed thereto within five (5) business days. If no
6 forwarding address is provided, then the Settlement Administrator shall promptly attempt to
7 determine a correct address using a single skip-trace, computer or other search using the name
8 and address of the individual involved, and shall then perform a single re-mailing within five (5)
9 business days. Those Class Members that receive a re-mailed Notice shall have their deadline
10 for submitting an objection to and/or request for exclusion from the Settlement, or challenging
11 their Total Pay Periods, extended fifteen (15) business days from the post mark date of re-
12 mailing. In the event the procedures in this paragraph are followed and the intended recipient of
13 a Notice still does not receive the Notice, the Class Member shall be bound by all terms of the
14 Settlement and any Final Judgment entered by the Court if the Settlement is approved by the
15 Court.

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

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

24 a. Procedure For Objecting. The Notice shall provide that those Class
25 Members who wish to object to the Settlement must mail a written statement of objection
26 ("Notice of Objection") to the Settlement Administrator no later than the Objection/Exclusion
27 Deadline Date. The postmark date of the mailing shall be deemed the exclusive means for
28 determining if a Notice of Objection is timely. The Notice of Objection must contain the Class

1 Member's name, the last four digits of his/her social security number, dates of employment,
2 current contact information, a statement providing the basis for the Class Member's objections,
3 a statement advising if the objecting Class Member plans to address the Court at the Settlement
4 Fairness Hearing, and a description of any legal briefs, papers or memoranda the objecting
5 Class Member proposes to submit to the Court. Class Members who fail to include the
6 information required and who fail to make objections in the manner specified above shall be
7 deemed to have waived any objections and shall be foreclosed from making any objection
8 (whether by appeal or otherwise) to the Settlement Agreement. No later than sixteen (16) court
9 days before the Settlement Fairness Hearing, the Settlement Administrator shall provide counsel
10 for the Parties with complete copies of all objections received, including the postmark dates for
11 each objection. Class Members have a right to appear at the Settlement Fairness Hearing in
12 order to have their objections heard by the Court. Class Counsel and Counsel for Defendant
13 shall file any responses to any written objections submitted to the Court in accordance with this
14 Settlement Agreement at least five (5) days before the Settlement Fairness Hearing.

15 b. Procedure For Requesting Exclusion. The Notice shall provide that Class
16 Members who wish to exclude themselves from the Class must submit a written request to be
17 excluded from the Class on or before the Objection/Exclusion Deadline Date. Class Counsel
18 and Defendant's Counsel agree to an opt-out period of forty-five (45) calendar days, with an
19 additional fifteen (15) days for re-mailed notices. Such request for exclusion: (1) must contain
20 the name, address, telephone number and the last four digits of the Social Security number of
21 the person requesting exclusion; (2) must be signed by the person requesting exclusion; (3) must
22 be returned by mail to the Settlement Administrator at the specified address; (4) must be
23 postmarked on or before the Objection/Exclusion Deadline Date and (5) must substantially state
24 the following: "I received the Class Notice and I wish to opt out of the settlement in the case
25 *Corey Smith v. Velocity Aerospace Group, Inc.*" The date of the postmark on the return mailing
26 envelope shall be the exclusive means used to determine whether a request for exclusion has
27 been timely submitted. Any Class Member who requests an exclusion from the Class will not
28 be entitled to any recovery under the Settlement and will not be bound by the Settlement or

1 have any right to object, appeal or comment thereon. Class Members who fail to submit valid
2 and timely requests for exclusion on or before the Objection/Exclusion Deadline Date shall be
3 Participating Class Members and shall be bound by all terms of the Settlement and any Final
4 Judgment entered in this Class Action if the Settlement is approved by the Superior Court. No
5 later than sixteen (16) court days before the Settlement Fairness Hearing, the Settlement
6 Administrator shall provide counsel for the Parties with a complete list of all members of the
7 Settlement Class who have timely requested exclusion from the Settlement. At no time shall
8 any of the Parties or their counsel seek to solicit or otherwise encourage members of the
9 Settlement Class to submit requests for exclusion from the Settlement.

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

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

6 70. Procedure For Payment Of Individual Settlement Payments:

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

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

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

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

1 e. Although Participating Class Members who do not timely cash their
2 Individual Settlement Payments shall not receive the monies from those checks (because the
3 checks shall be deemed null and void), such persons shall nonetheless be Participating Class
4 Members and will be bound by all terms of the Settlement and any Final Judgment entered in
5 this Class Action if the Settlement is approved by the Superior Court, including the release of
6 the Released Claims, unless they timely file a valid request for exclusion as set forth herein.

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

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

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

27 74. Final Settlement Approval Hearing And Entry Of Final Judgment. Upon
28 expiration of the Objection/Exclusion Deadline Date, with the Court's permission, a Final

1 Fairness Hearing shall be conducted to determine final approval of the Settlement along with
2 the amount properly payable for (i) the Attorneys' Fees and Cost Award, (ii) any Service
3 Awards, and (iii) Settlement Administration Costs. Upon final approval of the Settlement by
4 the Court, the Parties shall present the Final Approval Order and Judgment, in a form agreed to
5 in advance by the Parties, for the Court's approval. After entry of the Final Approval Order and
6 Judgment, the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the
7 interpretation and enforcement of the terms of the Settlement; (ii) Settlement administration
8 matters; and (iii) such post-Final Judgment matters as may be appropriate under court rules or
9 as set forth in this Agreement.

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

25 76. No Effect On Employee Benefits. Neither the Individual Settlement Payments
26 nor the Service Award to Named Plaintiff shall be deemed to be pensionable earning and shall
27 not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g.,
28 vacations, holiday pay, retirement plans, etc.) of the respective Named Plaintiff or Participating

1 Class Members. The Parties agree that any Individual Settlement Payments to Participating
2 Class Members under the terms of this Agreement do not represent any modification of the
3 Participating Class Members' previously credited hours of service or other eligibility criteria
4 under any employee pension benefit plan or employee welfare benefit plan sponsored by
5 Defendant. Further, any Individual Settlement Payment, or Service Award hereunder shall not
6 be considered "compensation" in any year for purposes of determining eligibility for, or benefit
7 accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored
8 by Defendant. Neither Defendant nor Named Plaintiff are opining on the terms of any such
9 Plan, each of which speaks for itself.

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

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

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

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

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

26 e. In the event that the Court does not agree to adopt the above dispute
27 resolution procedure as part of its Order granting final approval to the Settlement, then the
28 above provisions for Dispute Resolution (Section III, paragraph 22(a)-(d)) are null and void, the

1 remainder of the settlement is unaffected, and the parties shall remain free to submit disputes
2 and/or motions for enforcement of the settlement via appropriate noticed motion or ex parte
3 application as though Section III, paragraph 22 was not included herein.

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

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

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

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

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

25 83. Authorization To Enter Into Settlement Agreement. Counsel for all Parties
26 warrant and represent they are expressly authorized by the Parties whom they represent to
27 negotiate this Agreement and to take all appropriate action required or permitted to be taken by
28 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other

documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant represent and warrant that they are authorized to sign this Agreement on behalf of Defendant.

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

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

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

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

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

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

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

8
9 DATED: August 31, 2021

PLAINTIFF



Corey Smith

10
11
12
13 DATED: August ____, 2021

VELOCITY AEROSPACE, INC.

BY: _____

TITLE: _____

14
15
16
17 DATED: September 1, 2021

HAIG B. KAZANDJIAN LAWYERS APC

18
19 By: /s/ Haig Kazandjian

Haig B. Kazandjian
Cathy Gonzalez
Attorneys for Plaintiff
COREY SMITH

20
21
22
23 DATED: August ____, 2021

EPSTEIN BECKER & GREEN, P.C.

24 By: _____

Jonathan M. Brenner
Kevin D. Sullivan
Jonathan Assia
Attorneys for Defendant
VELOCITY AEROSPACE GROUP, INC.

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

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5 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
6 consistent with applicable precedents so as to define all provisions of this Agreement valid and
7 enforceable.

8
9 DATED: August ____, 2021

PLAINTIFF

10
11 _____
Corey Smith

12
13 DATED: August 31st, 2021

VELOCITY AEROSPACE, INC.

14 _____
15 BY: Dominic Budhu
16 TITLE: CEO

17 DATED: August ____, 2021

HAIG B. KAZANDJIAN LAWYERS APC

18
19 By: _____
20 Haig B. Kazandjian
21 Cathy Gonzalez
22 Attorneys for Plaintiff
COREY SMITH

23 DATED: August 31, 2021

EPSTEIN BECKER & GREEN, P.C.

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

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, 2021, 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:

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 settlement and get no payment. 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 insert, 2021 . 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, and must substantially state the following: “I received the class notice and I wish to opt out of the settlement in the case <i>Corey Smith v. Velocity Aerospace Group, Inc.</i> ” 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.
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 insert , 2021.
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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 **insert**, 2021 (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 **insert**, 2021, 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 employee 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, 2021.

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, 2021, 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.

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. 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:

Any and all claims, rights, demands, damages, liabilities and causes of action, whether known or unknown, 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 Plaintiff's LWDA letter, or which could have been asserted in the Action based on the alleged facts in the operative complaint or Plaintiff's LWDA letter, 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; (7) failure to pay minimum wages; (8) unlawful business practices; and (9) penalties pursuant to PAGA. The release shall include release of California Labor Code sections 201, 202, 203, 204, 206, 210, 218.5, 218.6,

223, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2698 et seq., California Business & Professions Code section 17200 et seq., based on these Labor Code sections, the relevant Wage Orders issued by the Industrial Welfare Commission, any and all claims for attorneys' fees and costs, and/or California Code of Civil Procedure section 1021.

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.

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.

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 [REDACTED], 2021.

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, 2021.

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**, 2021. 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 substantially state the following: “I received the class notice and I wish to opt out of the settlement in the case *Corey Smith v. Velocity Aerospace Group, Inc.*” 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.

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.

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**, 2021, 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 court may award less than these amounts. Velocity Aerospace Group, Inc. shall pay the settlement administrator’s costs and fees associated with administering the Settlement in an amount up to \$[REDACTED].

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 [REDACTED], 2021, at [REDACTED]. 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. \[REDACTED\] .com](http://www. [REDACTED] .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. \[REDACTED\] .com](http://www. [REDACTED] .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.