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G.A.T. AIRLINE GROUND SUPPORT, INC.

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

NELSON GONZALEZ, on behalf of
himself and all "aggrieved employees"
pursuant to Labor Code § 2698 *et seq.*,

Plaintiffs,

v.

G.A.T. AIRLINE GROUND SUPPORT,
INC., an Alabama corporation, and DOES 1
through 10, inclusive,

Defendants.

CASE NO: 20BBCV00548

*Assigned to the Honorable Frank M. Tavelman,
Department A*

CLASS ACTION

**SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

Complaint Filed: September 6, 2020

1 **SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

2 This Settlement Agreement and Release of Claims (“Settlement Agreement”) is made and
3 entered into by and between Plaintiff and Class Representative Nelson Gonzalez (“Gonzalez” or
4 “Plaintiff” or “Class Representative”), individually and on behalf of the members of the Class (as
5 defined below), by and through their counsel of record, and Defendant G.A.T. Airline Ground
6 Support, Inc. (“Defendant”), by and through their counsel of record, subject to the terms and
7 conditions herein and the Court’s approval, as set forth below. This Settlement Agreement is
8 intended by Plaintiff and Defendant to fully, finally, and forever resolve, discharge, and settle the
9 Released Claims (as defined below), upon and subject to the terms and conditions hereof.

10 Gonzalez’s individual claim for misclassification and all derivative wage claims such as his
11 minimum and overtime wage claims are being settled between Gonzalez and Defendant by separate
12 agreement executed simultaneously with this Settlement Agreement. All misclassification claims
13 and derivative wage claims such as minimum and overtime wage claims on behalf of members of
14 the Class are not released in this Settlement Agreement and Gonzalez will move to dismiss such
15 claims on behalf of the members of the class without prejudice.

16 **A. DEFINITIONS.** As used herein, for the purposes of this Settlement Agreement only, the
17 following terms shall be defined as set forth below:

18 **1.** The “**Action**” refers to the present class and representative action entitled *Nelson*
19 *Gonzalez, et al. v. G.A.T. Airline Ground Support, Inc.*, Case No. 20BBCV00548, pending before
20 the Superior Court of the State of California for the County of Los Angeles.

21 **2.** The “**Aggrieved Employees**” shall be defined as “all individuals who are or
22 previously were employed by Defendant in California who were classified as hourly, non-exempt
23 employees during the period July 5, 2019 to December 31, 2022.”

24 **3.** “**Class Counsel**” refers Daniel F. Gaines and Alex P. Katofsky of Gaines & Gaines,
25 APLC, counsel of record for Plaintiff. For purposes of this settlement only, the firm of Gaines &
26 Gaines, APLC shall be designated as “Class Counsel.”

27 **4.** The “**Class Members**” or “**Class Member**” refer to all members of the “Settlement
28 Class.”

1 **5. “Class Representative”** refers to Plaintiff Nelson Gonzalez.

2 **6. “Class Representative Enhancement”** refers to the payments made to Class
3 Representative Nelson Gonzalez in in consideration for his services as named plaintiff in the
4 Action. The Class Representative Enhancement is not to exceed One Thousand Five Hundred
5 Dollars and Zero Cents (\$1,500.00).

6 **7. “Class Notice”** refers to the form of direct-mail notice to Class Members,
7 substantially in the form attached hereto as “**Exhibit A**,” as may be modified by the Court, which
8 explains the terms of the Settlement Agreement, the procedure for making a Request for Exclusion,
9 the procedure for making an Objection, setting forth the total number of workweeks worked by the
10 Class Member during the Class Period the estimated Individual Class Settlement Payment, as well
11 as the estimated number of workweeks worked during the PAGA Period and Individual PAGA
12 Payment to eligible Aggrieved Employees, if applicable, and the procedure for disputing the stated
13 amount of workweeks for each Settlement Class Member during the Class Period pursuant to
14 **Paragraphs F(5) and F(9)** below.

15 **8. “Class Workweeks”** refers to the number of workweeks worked by each Class
16 Member during the Class Period.

17 **9. “Class Period”** shall refer to the time period of November 17, 2017, to December
18 31, 2022.

19 **10. The “Effective Date”** is defined as the date of the Final Approval Order, unless
20 there are one or more objections which are not withdrawn, in which case it will be sixty (60) days
21 after final approval or after any appeal is dismissed or withdrawn, or appeal is decided upholding
22 propriety of settlement. The “Effective Date” cannot occur until the following events have
23 occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and
24 Defendant’s Counsel; (2) the Court has granted preliminary approval to the Settlement Agreement;
25 (3) the Class Notice has been mailed to the Class, providing them with an opportunity to object to
26 or opt out of the Settlement Agreement; and (4) the Court has held a final approval hearing and
27 entered a Final Approval Order.

28 **11. “Employer Taxes”** refers to all applicable federal, state, and local income and

1 employment taxes, including, but not limited to, any portion of such taxes that are to be paid by an
2 employer, and including, but not limited to, Unemployment Insurance, Employment Training Tax,
3 FICA (Social Security and Medicare), State Disability Insurance, and state and federal personal
4 income taxes.

5 **12. “Final Approval Order”** refers to the final order by the Court approving the
6 Settlement Agreement and entering Judgment following a hearing at which the Court will make a
7 final determination whether the terms of the Settlement Agreement are fair, reasonable, and
8 adequate for the Settlement Class and meet all applicable requirements for approval, and, if the
9 terms of the Settlement Agreement are so approved, whether a judgment should be entered thereon,
10 whether the Class Representative’s application for a Class Representative Enhancement should be
11 granted, and whether an application by Class Counsel for an award of reasonable attorneys’ fees
12 and reimbursement of their reasonable costs and expenses should be granted.

13 **13. “Final Funding Amount”** refers to the amount that Defendant is obligated to fund
14 as payment of this Settlement, which shall be equal to the sum of: (i) the total amount of Individual
15 Settlement Payments properly calculated by the Settlement Administrator in accordance with
16 **Paragraph C(3)**, and as approved by the Court; (ii) the Settlement Administration Cost as set forth
17 in **Paragraph C(7)**, and as approved by the Court in the Final Approval Order; (iii) the Class
18 Counsel attorneys’ fees as set forth in **Paragraph C(5)**, and as approved by the Court in the Final
19 Approval Order; (iv) the Class Counsel litigation costs as set forth in **Paragraph C(6)**, and as
20 approved by the Court in the Final Approval Order; (v) the Class Representative Enhancement as
21 set forth in **Paragraph C(4)**, and as approved by the Court in the Final Approval Order; (vi)
22 Employer Taxes as set forth in **Paragraph D**; and (vii) the PAGA Payment, as set forth in
23 **Paragraph C(1)**, and as approved by the Court in the Final Approval Order. Under no
24 circumstances will the Final Funding Amount exceed the Gross Settlement Amount plus
25 Defendant’s share of Employer Taxes.

26 **14. “Final Funding Date”** refers to the date on which Defendant shall provide the Final
27 Funding Amount to the Settlement Administrator for distribution, which shall be fifteen (15) days
28 after the Effective Date.

1 **15. “Gross Settlement Amount”** refers to a non-reversionary negotiated dollar amount
2 of this Settlement Agreement, which equals FOUR HUNDRED THOUSAND U.S. DOLLARS
3 AND ZERO CENTS (\$400,000.00). The Gross Settlement Amount includes the following: all
4 Individual Settlement Payments to Class Members; all awards to Class Counsel for attorneys’ fees
5 and litigation costs and expenses, including, without limitation, all such fees and costs incurred to
6 date, as well as such fees and costs to be incurred in documenting the settlement, providing any
7 notices required as part of the settlement, securing Court approval of the settlement, and obtaining
8 judgment in the Action; the Class Representative Enhancement as approved by the Court; the
9 PAGA Payment; and all Settlement Administration Costs, including, without limitation, settlement
10 administration fees and expenses. The Gross Settlement Amount does not include Defendant’s
11 share of Employer Taxes. Defendant shall pay Employer Taxes separately from, and in addition
12 to, the Gross Settlement Amount.

13 **16. “Individual PAGA Payments”** refer to the payment made to the Aggrieved
14 Employees as their *pro rata* shares of the twenty-five percent (25%) of the PAGA Payment
15 distributed to the Aggrieved Employees, or each of them, in accordance with the provisions of
16 **Paragraph C(2).**

17 **17. “Individual Settlement Payments”** refers to the portion of the Net Settlement
18 Amount distributable to each Class Member who participates in the Class Settlement (i.e., who
19 does not submit a valid request for exclusion form). Individual Settlement Payments shall be
20 determined in accordance with the provisions of **Paragraph C(3).**

21 **18.** The “**LWDA**” refers to the California Labor & Workforce Development Agency.

22 **19. “Notice Date”** refers to the date ordered by the Court for dissemination of the Class
23 Notice, a date that is expected to be forty-five (45) calendar days after the Court enters the
24 Preliminary Approval Order.

25 **20. “Net Settlement Amount”** shall be defined as the Gross Settlement Amount, less
26 the amounts awarded by the Court for Class Counsel’s attorneys’ fees and litigation costs and
27 expenses; Settlement Administration Costs; the Class Representative Enhancement, and the PAGA
28 Payment. The Net Settlement Amount is the maximum amount that shall be made available to

1 Class Members for distribution, and it includes the Class Members' portions of payroll taxes.
2 Under no circumstances shall the value of the Net Settlement Amount cause the Gross Settlement
3 Amount in this Agreement to exceed FOUR HUNDRED THOUSAND DOLLARS AND ZERO
4 CENTS (\$400,000.00).

5 **21. "Objection"** refers to process by which Class Members may object to the terms and
6 conditions of this Settlement Agreement by the Response Deadline, as set forth in **Paragraph**
7 **F(10)**. However, Class Members may not object to the settlement of the PAGA Claims.

8 **22. "PAGA Claims"** refers to the cause of Action for civil penalties brought by Plaintiff
9 on behalf of all Aggrieved Employees pursuant to the California Private Attorneys' General Act,
10 Labor Code section 2698 *et seq.* during the PAGA Period as set forth in the PAGA Notice and First
11 Amended Complaint.

12 **23. "PAGA Notice"** refers to the letter sent on behalf of Plaintiff to the LWDA on June
13 10, 2020, providing notice of intent to file the PAGA Claims.

14 **24. "PAGA Payment"** refers to all payments made to satisfy the settlement of the
15 PAGA Claim as set forth in **Paragraph C(1)**, which shall be in the total amount of Forty Thousand
16 Dollars and Zero Cents (\$40,000.00). The PAGA Payment shall be made in the following
17 allocation: seventy-five percent (75%), or Thirty Thousand Dollars and Zero Cents (\$30,000.00),
18 to be paid to the LWDA and the remaining twenty-five percent (25%), or Ten Thousand Dollars
19 and Zero Cents (\$10,000.00), to be distributed to all Aggrieved Employees as Individual PAGA
20 Payments on a *pro rata* basis. Aggrieved Employees shall be prohibited from submitting a Request
21 for Exclusion with respect to claims under PAGA, and thus shall receive their portion of the PAGA
22 Payment regardless of any Request for Exclusion from the Settlement Class.

23 **25. "PAGA Period"** refers to the time period July 5, 2019, to December 31, 2022.

24 **26. "Parties" or "Party"** refers to Plaintiff and Defendant, or each of them.

25 **27. "Preliminary Approval Order"** refers to the order by the Court granting
26 preliminary approval to the Settlement Agreement and directing the Parties to disseminate Class
27 Notice to the Class Members.

28 **28. "Qualified Settlement Fund"** refers to an account containing the Final Funding

1 Amount (i.e., the Gross Settlement Amount plus Defendant's share of Employer Taxes.) The
2 Settlement Administrator shall make all payments to administer this settlement from the Qualified
3 Settlement Fund.

4 **29. "Released Claims"** refers to the claims and causes of action released by the Class
5 Members as set forth in **Paragraph E(3)**.

6 **30. "Released PAGA Claims"** refers to the claims and causes of action for civil
7 penalties recoverable under PAGA released by the Aggrieved Employees as set forth in **Paragraph**
8 **E(6)**.

9 **31. "Request for Exclusion"** refers to a request in the form attached hereto as "**Exhibit**
10 **B"** that a Class Member timely submits to the Settlement Administrator requesting to be excluded
11 from the final Settlement Class and this Settlement Agreement. However, Class Members shall be
12 prohibited from submitting a Request for Exclusion with respect to the PAGA Claims and, thus, all
13 Aggrieved Employees shall receive an Individual PAGA Payment and be bound by the release of
14 the PAGA Claims regardless of whether they submit a Request for Exclusion from the Settlement
15 Class.

16 **32. "Response Deadline"** refers to the date by which Class Members must submit a
17 valid Request for Exclusion or Objection to the Settlement Agreement, pursuant to the terms below,
18 which shall be the date that is forty-five (45) calendar days after the Notice Date and as such date
19 may be modified by the Court. However, no Class Member is entitled to submit a Request for
20 Exclusion or Objection to the settlement of the PAGA Claims.

21 **33. "Settlement Administrator"** refers to Phoenix Class Action Administration
22 Solutions ("Phoenix"), an independent third-party that will be engaged by Class Counsel and paid
23 out of the Gross Settlement Amount, with the approval of Defendant and the Court, to perform the
24 notice, administration, and distribution functions further described in this Settlement Agreement in
25 **Section F**.

26 **34. "Settlement Administration Costs" or "Claims Administration Expenses"**
27 refers to the amount for which Class Counsel shall petition this Court for compensation of the
28 Settlement Administrator for services in administering this settlement pursuant to **Section C(7)** of

1 the Settlement Agreement. The Settlement Administration Costs shall be paid from the Gross
2 Settlement Amount.

3 **35.** The “**Settlement Class**” shall be defined as “all individuals who are or previously
4 were employed by Defendant in California who were classified as hourly non-exempt employees
5 during the period November 17, 2017, to December 31, 2022” (the “Class Period”). Defendant
6 represents that this Settlement Class contains approximately 3,476 members. Any Class Member
7 who files a timely request for exclusion, as detailed below, will be excluded from the final
8 Settlement Class.

9 **B. RECITALS.**

10 **1.** On June 10, 2020, Plaintiff submitted his PAGA Notice to the LWDA.

11 **2. The Action.** On or about September 8, 2020, Plaintiff initiated the Action by filing
12 a Complaint as a representative action, pursuant to PAGA, on behalf of himself and all other exempt
13 and non-exempt California employees. Thereafter, on July 28, 2021, Plaintiff filed a First Amended
14 Complaint that added standalone class action allegations in addition to the PAGA Claims. The
15 Action presently asserts class and representative action claims against Defendant for (1) failure to
16 pay all minimum and overtime wages due (Labor Code §§ 510, 1194, and 1194.2) (2) failure to
17 provide rest periods or compensation in lieu thereof (Labor Code § 226.7; IWC Wage Order 9-
18 2001); (3) failure to comply with itemized employee wage statement provisions (Labor Code §
19 226(a), (e), (h)); (4) failure to timely pay wages due at separation of employment (Labor Code §§
20 201-203); (5) violation of Business and Professions Code § 17200; and (6) penalties pursuant to
21 Labor Code § 2699(f) for violations of Labor Code §§ 201, 202, 226(a), 226.7, 510, and 1194 and
22 pursuant to Labor Code § 2699(a) for Violations of Labor Code §§ 226.3 and 558 (the “First
23 Amended Complaint”).

24 **3.** Since the inception of the Action, the Parties have engaged in formal and informal
25 discovery. Among other things, Defendant provided Plaintiff with copies of policies applicable to
26 Class Members and Plaintiff’s claims, the relevant time data for Class Members, and relevant pay
27 data for Class Members.

28 **4.** The Parties engaged in extensive discussions about the respective strengths and

1 weaknesses of their claims and defenses. On March 4, 2022, the Parties participated in a full day
2 mediation session with Tripper Ortman, Esq., a respected mediator with extensive experience
3 resolving employment actions. Although they did not settle at the mediation, on or about November
4 29, 2022, the Parties were able to agree to the basic terms of this settlement agreement with the
5 assistance of Mr. Ortman.

6 **5.** Between January 11, 2023, and January 15, 2023, the Parties fully executed a
7 Memorandum of Understanding memorializing the terms of the settlement in writing.

8 **6.** The settlement discussions were were conducted at arm's-length. Based on their
9 own independent investigation and evaluation, Class Counsel are of the opinion (and will so
10 represent to the Court) that settlement for the consideration and on the terms set forth in this
11 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Settlement
12 Class in light of all known facts and circumstances, including the risk of significant delay, the risk
13 the Settlement Class will not be certified by the Court, and the defenses asserted by Defendant.
14 Defendant and its counsel also agree (and will so represent to the Court) that this settlement is fair
15 and in the best interest of the Defendant and the Settlement Class.

16 **7. Diligent Efforts.** Class Counsel diligently investigated the proposed Class
17 Members' claims against Defendant in the Action, including any and all applicable defenses and
18 the applicable law, and undertook review and analysis of a volume of documents and data obtained
19 from Defendant and other sources. Class Counsel represent that they have conducted a thorough
20 investigation into the facts and law during the prosecution of this class action case, including the
21 exchange of extensive discovery and the review and verification of statistical data and other facts
22 and information provided by Defendant. Class Counsel also represent that they have investigated
23 the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiff and
24 potential defenses thereto, and the damages claimed by Plaintiff.

25 **8. Claims Disputed.** Defendant denies all material allegations set forth in the Action
26 and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further
27 litigation, Defendant desires to fully and finally settle the Action and obtain the releases set forth
28 herein.

1 **9. No Admissions.** The Parties expressly acknowledge that this Settlement
2 Agreement is entered into solely for the purpose of compromising significantly disputed claims
3 and that nothing herein is an admission of liability or wrongdoing by Defendant or any of the
4 other Released Parties.

5 **a.** Defendant denies any liability or wrongdoing of any kind associated with
6 the claims alleged in the Action, and further denies that the Action is appropriate for class
7 treatment for any purpose other than this Settlement. Defendant contends that it has complied at
8 all times with California law, including the California Labor Code. It is Defendant's position that,
9 if this case were to be litigated, class certification would be inappropriate for many reasons,
10 including: Plaintiff is not an adequate class representative, Plaintiff's claims are not typical of
11 putative class members, and individual issues predominate over class issues. The Action, the
12 negotiation and execution of this Settlement Agreement, and all acts performed or documents
13 executed pursuant to or in furtherance of the Settlement Agreement (i) shall not be used as an
14 admission or evidence of wrongdoing on behalf of Defendant; (ii) shall not be an admission or
15 evidence of fault on behalf of Defendant in any action before a civil, criminal, or administrative
16 agency; and (iii) shall not be deemed to be, and may not be used as, an admission or evidence of
17 the appropriateness of these or similar claims for class certification in the Action or with respect
18 to any other proceeding.

19 **b.** The Class Representative contends that Defendant violated the California
20 Labor Code and that this case is appropriate for class certification.

21 **10. Conditional Class Certification.** The Parties agree that the Settlement Class
22 defined herein may be certified for settlement purposes only and that any motion for approval
23 seeking, *inter alia*, certification of the Settlement Class is for purposes of the settlement only. If
24 for any reason the settlement is not approved, the certification will have no force or effect and will
25 immediately be revoked. The Parties further agree that certification for purposes of the settlement
26 is in no way an admission that class certification is proper under the more stringent standard applied
27 for litigation and that evidence of this limited stipulation for settlement purposes only will not be
28 admissible for any purpose in this or any other proceeding.

1 **11. Settlement in the Interests of the Settlement Class.** Based on Class Counsel's
2 own independent investigation and evaluation, Class Counsel is of the opinion that the settlement
3 with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair,
4 reasonable, and adequate and is in the best interest of the Class and each member of the Class in
5 light of all known facts and circumstances, including the risk of significant delay, defenses asserted
6 by Defendant, and numerous potential appellate issues. Defendant and Defendant's Counsel also
7 agree that this Settlement Agreement is fair and in the best interest of the Class and each Class
8 Member.

9 **C. COMPENSATION TO SETTLEMENT CLASS AND AGGRIEVED EMPLOYEES.**

10 **1. PAGA Payment.** The Parties agree that Forty Thousand Dollars and Zero Cents
11 (\$40,000.00) from the Gross Settlement Amount shall be allocated to settle all claims brought
12 pursuant to PAGA. The Settlement Administrator shall pay Seventy-Five Percent (75%), or Thirty
13 Thousand Dollars and Zero Cents (\$30,000.00), from that amount directly to the LWDA. The
14 remaining Twenty-Five Percent (25%), or Ten Thousand Dollars and Zero Cents (\$10,000.00),
15 shall be distributed to the Aggrieved Employees on a *pro rata* basis as their Individual PAGA
16 Payment.

17 **2. Calculation of Individual PAGA Payments to Aggrieved Employees:** The
18 Individual PAGA Payment to each Aggrieved Employee shall be determined by dividing the Ten
19 Thousand Dollars and Zero Cents (\$10,000.00) allocated to the Aggrieved Employees by the total
20 number of weeks worked by all Aggrieved Employees during the PAGA Period, resulting in the
21 PAGA workweek value; and then multiplying the PAGA workweek value by the number of weeks
22 worked by each Aggrieved Employee during the PAGA Period.

23 **3. Calculation of the Individual Settlement Payments to Class Members:** The Net
24 Settlement Amount shall be divided among Class Members based on the Class Members' number
25 of Class Workweeks worked during the Class Period. The Settlement Administrator will calculate
26 each Class Member's *pro rata* share of the Net Settlement Amount by dividing the total number of
27 Class Workweeks worked by all Class Members during the Class Period into the Net Settlement
28

1 Amount (*i.e.*, the “Workweek Value”), and then multiplying the Workweek Value by the number
2 of Class Workweeks actually worked by each Class Member during the Class Period.

3 **4. Class Representative Enhancement:** Class Counsel will petition the Court for a
4 Class Representative Enhancement for the Class Representative to compensate him for his time
5 and energy spent in serving as the Class Representative as set forth in **Paragraph C(4)**. Class
6 Counsel’s application for the Class Representative Enhancement for the Class Representative will
7 not exceed a total of One Thousand Five Hundred Dollars (\$1,500.00). As long as the total amount
8 requested or awarded does not exceed One Thousand Five Hundred Dollars (\$1,500.00), Defendant
9 agrees not to oppose the application for the Class Representative Enhancement and to pay the
10 amount awarded by the Court out of the Gross Settlement Amount. The Class Representative will
11 be provided an IRS Form 1099 for all amounts paid as to him as a Class Representative
12 Enhancement. The Class Representative Enhancement shall be independent of any other benefits
13 to which the Class Representative may be entitled as a Class Member pursuant to this Settlement
14 Agreement and its and plan of allocation, and is independent of the consideration to be paid to the
15 Class Representative in exchange for his general release of all claims, with California Civil Code
16 section 1542 waiver, documented by a separate agreement and subject to the occurrence of the
17 Effective Date of this Agreement. The Class Representative Enhancement paid to the Class
18 Representative will be paid by the Settlement Administrator from the Gross Settlement Amount no
19 later than fifteen (15) days after the Final Funding Date. Any reduction by the Court in the Class
20 Representative Enhancement awarded to the Class Representative will be distributed to all Class
21 Members on a *pro rata* basis proportionate to the amounts due to each Class Member under this
22 Settlement Agreement, in accordance with **Paragraph C(3)**. The Class Representative
23 Enhancement shall be deemed to be paid to the Class Representative solely in the year in which
24 such payment is received by the Class Representative. It is expressly understood and agreed that
25 the receipt of such payment will not entitle the Class Representative to additional compensation or
26 benefits under any company bonus, contest, or other compensation or benefit plan or agreement in
27 place during the Class Period, nor will it entitle the Class Representative to any increased
28 retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent

1 of this Settlement Agreement that Class Representative is not entitled to any new or additional
2 compensation or benefits outside of this Settlement Agreement as a result of having received the
3 Class Representative Enhancement.

4 **5. Attorneys' Fees:** An award to Class Counsel of attorneys' fees and will be deducted
5 from the Gross Settlement Amount.. Class Counsel shall apply to the Court for approval of an
6 award of attorneys' fees in an amount that will not exceed one-third (33-1/3%) of the Gross
7 Settlement Amount, in accordance with the applicable legal precedent therefore, and conditioned
8 upon the occurrence of the Effective Date as defined herein. As long as the total amount requested
9 or awarded does not exceed one-third (33-1/3%) of the Gross Settlement Amount, Defendant agrees
10 not to oppose the application for attorneys' fees and to pay such amounts as requested by Class
11 Counsel and awarded by the Court, estimated to be up to One Hundred Thirty-Three Thousand
12 Three Hundred Thirty Three Dollars and Thirty-Three Cents (\$133,333.33), which shall be paid
13 out of the Gross Settlement Amount. Any reduction by the Court in attorneys' fees awarded to
14 Class Counsel will be added to the Net Settlement Amount and distributed to Class Members on a
15 *pro rata* basis. Payment shall be made by the Settlement Administrator from the Gross Settlement
16 Amount to Class Counsel as they direct, no later than fifteen (15) days after the Final Funding Date.
17 Defendant shall not be liable, and Class Counsel agrees to indemnify and hold Defendant harmless,
18 for any tax implications as a result of any such election. An IRS Form 1099 will be issued to Class
19 Counsel with respect to its award of attorneys' fees.

20 **6. Attorneys' Costs and Expenses:** Class Counsel shall also apply to the Court for
21 approval of an award of litigation costs and expenses in an amount not to exceed Twenty-Five
22 Thousand Dollars and Zero Cents (\$25,000.00), in accordance with the applicable legal precedent
23 therefore, and conditioned upon the occurrence of the Effective Date as defined herein. Defendant
24 agrees not to oppose the application for litigation costs and expenses and to pay such amounts as
25 requested by Class Counsel and awarded by the Court, up to Twenty-Five Thousand Dollars and
26 Zero Cents (\$25,000.00), which shall be paid out of the Gross Settlement Amount. Any reduction
27 by the Court in litigation costs and expenses awarded to Class Counsel will be added to the Net
28 Settlement Amount and distributed to Class Members on a *pro rata* basis. Payment shall be made

1 by the Settlement Administrator from the Gross Settlement Amount to Class Counsel as they direct,
2 no later than fifteen (15) days after the Final Funding Date. An IRS Form 1099 will be issued to
3 Class Counsel with respect to its award of costs and expenses.

4 **7. Settlement Administration Costs:** Class Counsel shall apply to the Court for
5 approval of an award of Settlement Administration Costs not to exceed Thirty Thousand Dollars
6 and Zero Cents (\$30,000.00) in order to compensate the Settlement Administrator in its efforts in
7 administering this settlement in accordance with **Section F** of this Settlement Agreement. These
8 fees shall include any costs associated with the required tax reporting on any Individual Payment
9 Amounts, and the issuing of any and all W-2 and 1099 forms. Defendant shall not oppose any
10 request for Settlement Administration Costs not exceeding Thirty Thousand Dollars and Zero
11 Cents (\$30,000.00). Any award of Settlement Administration Costs shall be paid from the Gross
12 Settlement Amount. Defendant shall not be responsible for any amounts charged by the Settlement
13 Administrator in excess of the amount awarded by the Court. Expenses were not negotiated until a
14 settlement was reached as to all major issues pertaining to the claims of the Class.

15 **8. No Warranty by Defendant:** Plaintiff understands and agrees that Defendant is
16 not providing Plaintiff or Class Members with tax or legal advice and that Defendant makes no
17 representations regarding tax obligations or consequences, if any, related to this Settlement
18 Agreement.

19 **D. EMPLOYER TAXES.**

20 **1.** The Parties agree that ten percent (10%) of the Individual Settlement Payments to
21 Class Members shall be considered payment of wages as reported on an IRS Form W2 and subject
22 to applicable withholding of all usual and applicable local, state, and federal taxes including payroll
23 taxes.

24 **2.** The Parties further agree that forty-five percent (45%) of the Individual Settlement
25 Payments to Class Members shall be considered as the payment of penalties associated with unpaid
26 wages and other claims asserted and the remaining forty-five percent (45%) of the Individual
27 Settlement Payments to Settlement Class Members shall be considered payment of interest, and
28 neither the penalties nor interest portions of the Individual Settlement Payments to Class Members

1 shall be subject to any withholdings and shall be reflected on IRS Forms 1099 issued to members
2 of the Settlement Class.

3 **3.** The Parties further agree that Individual PAGA Payments to Aggrieved Employees
4 shall be considered as payment as penalties and shall be reflected on IRS Forms 1099 issued to the
5 Aggrieved Employees.

6 **4.** Defendant's portion of Employer Taxes shall be paid into the Qualified Settlement
7 Fund in addition to and separate from the Gross Settlement Amount. The Settlement Administrator
8 shall provide Defendant an accounting of the amount of its portion of Employer Taxes seven (7)
9 calendar days after the Effective Date. Defendant shall provide its portion of Employer Taxes to
10 Settlement Administrator as part of the Final Funding Amount in addition to the Gross Settlement
11 Amount.

12 **5.** The Settlement Administrator shall pay, from the Qualified Settlement Fund holding
13 the Final Funding Amount, Defendant's share Employer Taxes and withholdings on that portion of
14 Individual Settlement Payments to Settlement Class Members that is allocated to wages to the
15 relevant state and federal taxing agencies in accordance with applicable law and regulations on
16 behalf of Defendant. The Settlement Administrator will also be responsible for issuing any required
17 state and federal reporting documents (such as IRS Forms W-2s and 1099s) to members of the
18 Settlement Class, Class Counsel, and the Class Representative on behalf of Defendant and/or the
19 Qualified Settlement Fund.

20 **6.** The Settlement Administrator shall withhold appropriate federal, state, and local
21 income taxes and Class Members' share of FICA and Medicare taxes in accordance with the
22 Settlement Agreement.

23 **7.** The Settlement Administrator shall issue IRS Forms W-2 and 1099, under the terms
24 set forth in this Settlement Agreement, to Class Members receiving an Individual Settlement
25 Payment.

26 **8.** Any employer contributions and deductions required by any and all applicable
27 federal, state, and local tax regulations shall be paid out of the Final Funding Amount.

28 **9.** For all purposes, Individual Class Settlement Payments and/or Individual PAGA

1 Payments shall be deemed to be paid to Class Members solely in the year in which payment of such
2 Individual Class Settlement Payments and/or Individual PAGA Payments are actually received by
3 the Class Members. It is expressly understood and agreed that the receipt of such Individual
4 Settlement Payments and Individual PAGA Payments will not entitle any Class Member to
5 additional compensation or benefits under any company bonus, contest, or other compensation, or
6 benefit plan or agreement in place during the Class Period, nor will it entitle any Class Member to
7 any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits.
8 It is the intent of this Settlement Agreement that Individual Settlement Payments and Individual
9 PAGA Payments are the sole payments to be made by Defendant to Class Members, and that Class
10 Members are not entitled to any new or additional compensation or benefits as a result of having
11 received the Individual Settlement Payments and/or Individual PAGA Payments.

12 **10. Tax Liability.** Defendant makes no representation as to the tax treatment or legal
13 effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any
14 statement, representation, or calculation by Defendant or by the Settlement Administrator in this
15 regard. Class Members and Class Counsel understand and agree that Class Members shall be
16 responsible for the payment of all of their taxes and penalties assessed on the payments specified
17 herein, and shall hold the Parties, Class Counsel, and Defendant's Counsel free and harmless from
18 and against any claims resulting from their failure to pay taxes due on payments received by them.

19 **E. RELEASE OF CLAIMS.** In exchange for the consideration set forth in this Settlement
20 Agreement, Plaintiff, the Settlement Class members and Aggrieved Employees agree to release all
21 claims alleged in the Action as set forth below.

22 **1. Unpaid Minimum Wage and Overtime Wage Claims Dismissed Not Released.**
23 As part of this Settlement Agreement, all unpaid minimum and overtime wage claims asserted in
24 the Action will be dismissed without prejudice as to the Class Members and Aggrieved Employees
25 and are not released herein or otherwise affected by this Settlement. All unpaid minimum and
26 overtime wage claims asserted in the Action will be dismissed with prejudice as to Plaintiff
27 Gonzalez.

28 **2. Released Parties.** Subject to the occurrence of the Effective Date, the Defendant

1 and each of its respective parent companies, subsidiaries, affiliates, joint ventures, predecessors,
2 successors, and related parties and all of their past and present directors, officers, shareholders,
3 members, managers, joint employers, co-employers, integrated enterprises, representatives,
4 employees, and anyone else acting for any of them (“Released Parties”), shall be entitled to a release
5 from the Released Claims by all Class Members who do not exclude themselves from the class
6 Settlement.

7 **3. Released Claims.** The Released Claims are defined as, with respect to all periods
8 of employment in a non-exempt position in California during the Class Period, all claims and/or
9 causes of action arising from the allegations in this case as alleged in the operative class action and
10 PAGA complaint and amendments, under any federal, state or local law or administrative order,
11 related to the failure to provide rest periods or pay premium compensation in lieu thereof, the failure
12 to issue accurate itemized wage statements, and the failure to timely pay wages due at separation
13 of employment, and including all related claims for restitution and other equitable relief under
14 Business and Professions Code section 17200, statutory and liquidated damages, waiting-time
15 penalties, penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code
16 sections 201, 202, 203, 226, 226.7, 2698, *et seq.*; and the related IWC Wage Orders including Wage
17 Order Nos. 5 and 9. All other claims asserted in the Action, including claims related to unpaid
18 minimum and overtime wages, shall be dismissed without prejudice as to the Class Members (but
19 with prejudice as to Plaintiff Gonzalez only).

20 **4. Dismissed Claims.** All other claims asserted in the Action other than the Released
21 Claims, including Class Member claims for misclassification and derivative claims such as unpaid
22 minimum and overtime wages, shall be dismissed without prejudice as to the Class Members (but
23 with prejudice as to Plaintiff Gonzalez only, as documented by a separate agreement) (“Dismissed
24 Claims”).

25 **5. Scope of Release.** Subject to the occurrence of the Effective Date, each Class
26 Member who has not timely and appropriately opted out of this Settlement Agreement by way of
27 submitting a Request for Exclusion (i.e. the Settlement Class), fully releases and discharges
28 Released Parties from all Released Claims within the Class Period. This Release also covers all

1 claims for interest, attorneys' fees and costs related to the Action. In addition, any Class Member
2 who has not timely and appropriately opted out of this Settlement Agreement in accordance with
3 the Request for Exclusion process set forth in **Paragraph F(11)** shall be a member of the Settlement
4 Class and forever agrees that he or she shall not institute a claim, nor accept back pay, unpaid
5 wages, liquidated damages, penalties of any nature, attorneys' fees and costs, or any other relief
6 from any other suit, class, collective action, or representative or administrative claim, or other claim
7 of any sort or nature whatsoever against the Released Parties with respect to the Released Claims.
8 Notwithstanding, no Class Member is permitted to submit a Request for Exclusion from or object
9 to the settlement of the PAGA Claim and all Aggrieved Employees shall be bound by the release
10 of the PAGA Claim regardless of whether the Aggrieved Employee timely submits a valid Request
11 for Exclusion from the Settlement Class.

12 **6. Additional Release by All Aggrieved Employees.** Subject to the occurrence of the
13 Effective Date, and in addition to the release of Released Claims against the Released Parties made
14 by all Settlement Class Members, all Aggrieved Employees shall be deemed to have released their
15 respective Released PAGA Claims against the Released Parties. The Released PAGA Claims are
16 defined as, with respect to all periods of employment in a non-exempt position in California during
17 the PAGA Period, all claims and/or causes of action for civil penalties recoverable under PAGA
18 arising from the allegations in this case as alleged in the operative class action and PAGA complaint
19 and amendments, under any federal, state or local law or administrative order, related to the failure
20 to provide rest periods or pay premium compensation in lieu thereof, the failure to issue accurate
21 itemized wage statements, and the failure to timely pay wages due at separation of employment
22 including claims for violations of Labor Code sections 201, 202, 203, 226, 226.7, 2698, *et seq.*; and
23 the related IWC Wage Orders including Wage Order Nos. 5 and 9. PAGA claims related to unpaid
24 minimum and overtime wages shall be dismissed without prejudice as to the Aggrieved Employees.
25 Parties agree that there is no statutory right for any Aggrieved Employee to opt out, object, or
26 otherwise exclude himself or herself from the PAGA Payment and the associated release of claims
27 and rights under PAGA.

28 **7. Additional Release and Waiver of Claims by Class Representative.** In addition

1 to the release of the Released Claims against the Released Parties made by all Settlement Class
2 Members and the release of the Released PAGA Claims against the Released Parties made by all
3 Aggrieved Employees, as set forth above, the Class Representative, in his individual capacity,
4 further agrees that in exchange for Defendant's payment to the Class Representative of the Court-
5 approved Class Representative Enhancement, and in consideration of a separate payment
6 documented by a concurrently-executed general release agreement, he shall release the Released
7 Parties from any and all claims, known and unknown, with a waiver of California Civil Code
8 section 1542.

9 **8. All Members of the Settlement Class are Settling Parties.** All members of the
10 Settlement Class shall be bound by the terms and conditions of this Settlement Agreement,
11 including all orders issued pursuant thereto, and shall be deemed to have waived all unstated
12 objections and opposition to the fairness, reasonableness, and adequacy of this Settlement
13 Agreement, and any of its terms.

14 **9. Effect of the Settlement Agreement.** If the Settlement Agreement is given final
15 approval, and the Effective Date occurs, it shall operate as a full, complete, and final release of all
16 the Released Claims of the Class Representative, all the Released Claims of the Class Members,
17 and all Releasing Parties. Additionally, this Settlement Agreement shall operate as a full, complete,
18 and final release of the Released PAGA Claims of all Aggrieved Employees, regardless of whether
19 any such Aggrieved Employee submitted a timely, valid Request for Exclusion from the Settlement
20 Agreement.

21 **10. No Other Liability.** The Settlement Agreement shall be in full settlement,
22 compromise, release and discharge of the Released Claims and each of them, and the Released
23 Claims by the Class Representative, and the Released Parties shall have no further or other liability
24 or obligation to any member of the Settlement Class, the Class Representative, or any other
25 Releasing Party with respect to the Released Claims, except as expressly provided herein.

26 **F. SETTLEMENT ADMINISTRATION.**

27 **1. Engagement of Settlement Administrator.** The Parties have agreed to retain
28 Phoenix as the Settlement Administrator to perform the Class Notice and other claims

1 administration functions necessary for the Parties to fulfill their settlement obligations.

2 **a.** The Settlement Administrator shall perform the customary duties of a
3 Settlement Administrator including, but not limited to, the following:

- 4 i. Preparing, printing, and disseminating the Court-approved Class
5 Notice to Class Members;
- 6 ii. Processing Requests for Exclusion and Objections to the settlement;
- 7 iii. Promptly furnishing to Class Counsel and Defendant's Counsel
8 copies of all Objections and Requests for Exclusion received;
- 9 iv. Promptly furnishing to Defendant's Counsel copies and information
10 regarding, and verifying the information contained within, all
11 disputes submitted by Class Members regarding the Class
12 Workweeks and Pay Workweeks stated in the Class Notice;
- 13 v. Calculating all Employer Taxes on all Individual Settlement
14 Payments, and, within seven (7) days after the Effective Date,
15 informing Defendant's Counsel of the amount of Defendant's share
16 of Employer Taxes to be paid; and
- 17 vi. Distributing Individual Settlement Payments and/or Individual
18 PAGA Payments to all Class Members and Aggrieved Employees.
19 Additionally, the Settlement Administrator will handle all tax
20 document preparation and filing, including state and federal tax
21 forms, if any.

22 **b.** Also, on a weekly basis after the Notice Date, the Settlement Administrator
23 shall provide Defendant's Counsel and Class Counsel with a summary report, including the total
24 number of Class Notices that were returned as undeliverable, and the total number of Workweek
25 Disputes, Requests for Exclusion, and Objections received. The Settlement Administrator shall
26 maintain records of its work, which shall be available for inspection upon request by Defendant's
27 Counsel or Class Counsel.

28 **2. Identification of Class Members.** Within thirty (30) calendar days after entry of

1 the Preliminary Approval Order, Defendant shall provide to the Settlement Administrator a “Class
2 Data List,” which shall consist of the following items for all Class Members:

- 3 **a.** The names, last known addresses, telephone numbers, social security
4 numbers;
- 5 **b.** Each Class Member’s dates of employment in California during the Class
6 Period; and
- 7 **c.** Such other information that the Settlement Administrator requires to identify
8 Class Members.

9 Upon its receipt of the Class Data List, and no later than seven (7) days thereafter, the Settlement
10 Administrator shall access the National Change of Address (“NCOA”) Database and update the
11 addresses maintained by Defendant before mailing the Class Notice.

12 **3. Privacy of Class Information:** Class Member names, addresses, telephone
13 numbers, and Social Security numbers will only be disclosed to the Settlement Administrator and
14 not to Plaintiff’s Counsel. Any production of information to Class Counsel from the Class Data
15 List must be made in redacted form so that only the name, dates or employment, and Individual
16 Settlement Payment and Individual PAGA Payment will be provided. All information provided to
17 the Settlement Administrator will be marked CONFIDENTIAL. This information shall be kept
18 confidential and shall not be disclosed, either in writing or orally, by the Settlement Administrator.
19 The Settlement Administrator shall use due care with respect to the storage, custody, use, and/or
20 dissemination of the confidential information. Such information must be stored in a secure fashion
21 and all persons who access the data must agree to keep it confidential.

22 **4. Modification of Class Data List.** If Defendant, Class Counsel, and the Settlement
23 Administrator determine, based upon further review of available data, that a person previously
24 identified as being a Class Member should not be so included or identify a person who should have
25 been included as a Class Member but was not so included, Defendant and the Settlement
26 Administrator shall promptly delete or add such person as appropriate and notify Class Counsel
27 prior to such deletions or additions (and the reasons therefore). The time periods and methodologies
28 set forth herein reflect Defendant’s best current belief as to its ability to make such identifications

1 and it is understood that Defendant, in undertaking the tasks set forth herein, shall use reasonable
2 efforts to identify all Class Members and to determine their last known addresses and social security
3 numbers, as provided above, and to do so within the stated time periods. Other than the obligations
4 set forth in this Settlement Agreement, Defendant shall have no additional obligation to identify or
5 locate any Class Member.

6 **5. Class Notice for Persons Identified as Class Members.** On or before the Notice
7 Date (*i.e.*, within forty-five (45) calendar days of the entry of the Preliminary Approval Order), the
8 Settlement Administrator shall send the Class Notice, attached hereto as “**Exhibit A**” by bulk first
9 class mail, forwarding requested, to the Class Members at the addresses identified through the
10 process described above. The Class Notice shall state the total number of workweeks worked during
11 the Class Period to whom it is being sent, and the total number of workweeks worked during the
12 PAGA Period (if applicable) and that Defendant shall make available to the Class Member an
13 Individual Settlement Payment as set forth in this Settlement Agreement, subject to the limitations
14 set forth herein. The amount of the projected Individual Settlement Payment and Individual PAGA
15 Payment shall also be set forth in the Class Notice. The number of workweeks worked by the Class
16 Member and the number of workweeks worked by the Aggrieved Employees shall be determined
17 according to Defendant’s records.

18 **6. Notice Deemed Effective.** Unless the Settlement Administrator receives a Class
19 Notice returned from the United States Postal Service for reasons discussed below in this
20 Paragraph, that Class Notice shall be deemed mailed and received by the Class Member on the date
21 it was sent. In the event that subsequent to the first mailing of a Class Notice and prior to the
22 Response Deadline, Class Notice is returned to the Settlement Administrator by the United States
23 Postal Service because the address of the recipient is no longer valid or the envelope is marked
24 “Return to Sender,” the Settlement Administrator shall undertake another attempt to ascertain the
25 current address of the particular Class Member as provided in **Paragraph F(6)** and by conducting
26 a skip trace and, if such an address is ascertained, the Settlement Administrator will re-send the
27 Class Notice within three (3) business days of receipt of the returned Class Notice. In either event,
28 the Class Notice shall be deemed received once it is mailed for the second time. In the event that

1 subsequent to the first mailing of a Class Notice and on or after the Response Deadline, that Class
2 Notice is returned to the Settlement Administrator by the United States Postal Service because the
3 address of the recipient is no longer valid or the envelope is marked "Return to Sender," the
4 Settlement Administrator shall be required to take no further action with Class Notice to that Class
5 Member, and Class Notice shall be deemed to have been delivered to that Class Member. In the
6 event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, or
7 up to fifteen (15) calendar days after the Response Deadline, the Class Notice sent to that Class
8 Member is returned to the Settlement Administrator by the United States Postal Service with a
9 forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to that
10 address within three (3) business days of receipt of the returned Class Notice, the Class Notice will
11 be deemed mailed and received by that Class Member at that time, and the forwarding address shall
12 be deemed the updated address for that Class Member. In any event, if the Settlement Administrator
13 does not receive notice from the United States Postal Service that Class Notice to a particular Class
14 Member is undeliverable, or should be sent to a forwarding address, at least ten (10) calendar days
15 prior to the deadline for the Settlement Administrator to provide the Declaration of Compliance
16 pursuant to **Paragraph F(13)** below, the notice procedures in this Paragraph will be deemed to
17 have been effectuated as to that Class Member and no further action need be taken by the Settlement
18 Administrator with regard to Class Notice to that Class Member, unless directed to by the Court.

19 **7. Time to Request Exclusion, or To Object.** Class Members will have until the
20 Response Deadline (i.e., forty-five (45) days after the Notice Date), to postmark and mail a Request
21 for Exclusion or Objection. Aggrieved Employees shall not be permitted to submit an Objection or
22 Request from Exclusion from the settlement of the PAGA Claim.

23 **8. Extension for Response due to Re-Mailing of Class Notice.** In the event the
24 Settlement Administrator must re-mail any Class Notice due to being returned for an invalid
25 address, the Response Deadline shall be extended for those re-mailings to no later than ten (10)
26 calendar days from the date of the re-mailing of the Class Notice. The Settlement Administrator
27 shall include a cover letter with any re-mailing informing the Class Member of the re-mailing of
28 the Class Notice and specify the actual calendar date by which the Class Member must postmark

any response, even if postmarked after the original Response Deadline. The new Response Deadline for that Class Member shall be calculated by taking the date of mailing and adding ten (10) calendar days. Compliance with the procedures described in this Paragraph shall constitute due and sufficient notice to Class Members of this Settlement Agreement and of the Final Fairness Hearing, and shall satisfy the requirements of due process. Nothing additional shall be required of or done by the Settling Parties, Class Counsel, Defendant's Counsel, or the Settlement Administrator to provide notice of this Settlement Agreement and the Final Fairness Hearing, unless the Court orders otherwise.

9. Disputes Regarding Class Workweeks. The Class Notice shall state each Class Member's number of workweeks worked during the Class Period for which the Class Member is entitled to recovery, and if necessary, the number of workweeks during the PAGA Period for which the Aggrieved Employee is entitled to recovery. The Class Notice shall also state that, if the Class Member disagrees with the information set forth thereon regarding the number of workweeks worked during the Class Period, or the number of workweeks worked during the PAGA Period, the Class Member must submit to the Settlement Administrator the information that he or she believes is correct, explain the basis for such belief, and submit written documentation to support his or her challenge. Failure to submit written documentation to the Settlement Administrator by the Response Deadline to support such challenge will cause Defendant's information to be deemed controlling, without the need for a curative letter from the Settlement Administrator.

10. Objections to the Settlement. Any member of the Settlement Class may object to the proposed Settlement Agreement, or any portion thereof, by mailing a written objection, and supporting papers, if any, to the Settlement Administrator at the address that is set forth in the Class Notice. To be timely, all objections should be postmarked no later than the Response Deadline (i.e., forty-five (45) days after the Notice Date), subject to the extensions stated above. A written objection should contain the objecting person's full name, current address, last four digits of his or her social security number, and include all objections and the reasons therefore, and include any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations). The objection should also be dated and signed by the Class Member. The Settlement

1 Administrator shall send all objections by .pdf to Defendant's Counsel and Class Counsel. Any
2 objecting Class Member may also appear at the Final Fairness Hearing and present his or her
3 objection to the Court orally. Any Class Member who files an objection remains a part of the
4 Settlement Class, eligible to receive monetary compensation from the Settlement. Neither
5 Defendant nor the Class shall be responsible for fees, costs, or expenses related to any Class
6 Members who submit objections to the Settlement Agreement or any appeal by an objector arising
7 from the Action for attorneys' fees, costs, or expenses of any kind. Notwithstanding the above, no
8 Class Member shall be permitted to object to the settlement of the PAGA Claims.

9 **11. Request for Exclusion.** In order for a Class Member to validly and effectively
10 Request for Exclusion from, and opt out of, this Settlement Agreement, the Class Member must
11 submit a valid, fully-executed Request for Exclusion to the Settlement Administrator, in the form
12 attached to this Settlement Agreement as "**Exhibit B**", which must be postmarked no later than
13 the Response Deadline (*i.e.*, forty-five (45) calendar days after the Notice Date), subject to the
14 extensions stated above. Late Requests for Exclusion will not be accepted. In the Request for
15 Exclusion, the Class Member must provide his or her full name, last four digits of the Class
16 Member's social security number, and sign and date the Request for Exclusion to validly and
17 effectively opt out of this Settlement. Any Class Member who is validly excluded from this
18 Settlement Agreement as provided in this Paragraph shall not receive any payment from this
19 Settlement, unless the Class Member is an Aggrieved Employee entitled to a portion of the
20 Individual PAGA Payment, and shall have no right to object to this Settlement Agreement, and
21 shall not be bound by any Release provided for in this Settlement Agreement. Notwithstanding the
22 above, no Aggrieved Employee shall be permitted to opt-out of the settlement of the PAGA Claims,
23 and, as a result, any qualifying Aggrieved Employee shall receive an Individual PAGA Payment
24 and shall be bound by the release of the PAGA Claims despite the submission of a Request for
25 Exclusion.

26 **12. Discharge of Obligations.** Defendant shall fully discharge its obligations under
27 this Settlement Agreement once the Final Funding Amount is provided to the Settlement
28 Administrator. The Settlement Administrator shall fully discharge its obligations to those Class

Members to whom it will provide payment of an Individual Class Settlement Payment and/or Individual PAGA Payment through the mailing of a check, regardless of whether such checks are actually received or negotiated by Class Members. Any check that is not negotiated within one hundred eighty (180) days of mailing to a Class Member or Aggrieved Employee, or that is undeliverable, shall not be re-issued and those funds shall be distributed pursuant to California Code of Civil Procedure section 384 as follows: (i) twenty-five percent (25%) to the State Treasury for deposit in the Trial Court Improvement and Modernization Fund established in Section 77209 of the Government Code, and subject to appropriation in the annual Budget Act for the Judicial Council to provide grants to trial courts for new or expanded collaborative courts or grants for Sargent Shriver Civil Counsel; and (ii) Seventy-Five percent (75%) to Free To Thrive, a nonprofit organization helping survivors of human trafficking by providing restorative justice by expunging their criminal records to enable them to become gainfully employed and rejoin the community. The Parties and/or Counsel for the Parties do not have any interests or involvement with either of these entities. Any checks that were delivered to a Class Member but remain uncashed at the time the checks expire as set forth above will similarly be distributed pursuant to California Code of Civil Procedure section 384. The Final Funding Amount represents Defendant's complete and total financial obligation with respect to the Settlement Agreement and shall be funded to the Settlement Administrator via wire transfer or electronic funds transfer on or before the Final Funding Date. Upon provision of the Final Funding Amount by Defendant to the Settlement Administrator, all of Defendant's obligations under this Settlement Agreement shall be deemed complete.

13. Settlement Administrator Declaration of Compliance. No later than fifteen (15) calendar days after the Response Deadline, the Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a declaration attesting to completion of the notice process, including any attempts to obtain updated addresses for, and the re-sending of, any returned Class Notices, including the steps set forth in **Paragraph F(3)** above ("Declaration of Compliance"), which shall be filed with the Court by Class Counsel.

G. APPLICATION FOR PRELIMINARY APPROVAL ORDER. The Class Representative will file a Motion for Preliminary Approval of the proposed Settlement Agreement.

1 In connection with the Motion, the Parties shall apply for a Preliminary Approval Order that
2 contains the following provisions:

- 3 (a) Conditionally certifying the Class, pursuant to **Paragraph B(10)**;
- 4 (b) Appointing Class Counsel;
- 5 (c) Appointing Plaintiff Gonzalez as the Class Representative;
- 6 (d) Preliminarily approving the Settlement Agreement under the legal standards
7 relating to the preliminary approval of class action settlements;
- 8 (e) Approving the form of the Class Notice and finding that the proposed
9 method of disseminating the Class Notice meets the requirements of
10 California Code of Civil Procedure section 382 and due process, and is the
11 best notice practicable under the circumstances;
- 12 (f) Preliminarily approving the settlement of the PAGA Claims and the PAGA
13 Payment;
- 14 (g) Approving Phoenix as the Settlement Administrator;
- 15 (h) Establishing the procedures and the deadline by which Class Members may
16 assert Objections to or submit Requests for Exclusion from the Settlement
17 Agreement;
- 18 (i) Directing the mailing of the Class Notice by first class mail to the Class;
- 19 (j) Setting a date for the Final Fairness Hearing; and
- 20 (k) Setting a date that is approximately seven (7) days before the date of the
21 Final Fairness Hearing by which the Parties must file their respective
22 responses to any Objections to the Settlement Agreement that were filed by
23 Class Members on or before the Response Deadline.

24 **H. FINAL FAIRNESS HEARING.** Class Representative shall file a Motion for Final
25 Approval of this Settlement in advance of the Final Fairness Hearing, as ordered by the Court in its
26 Preliminary Approval Order. At the Final Fairness Hearing, the Parties shall use their best efforts
27 to urge the Court to grant final approval of the Settlement Agreement in its entirety (including any
28 modification made thereto with the consent of the Settling Parties as provided herein), and to enter

1 a Final Approval Order as set forth in **Paragraph I**.

2 **I. FINAL APPROVAL ORDER AND JUDGMENT.** If the Settlement Agreement
3 (including any modification made thereto with the consent of the Settling Parties as provided
4 herein) is finally approved by the Court following the Final Fairness Hearing, the Parties hereto
5 shall jointly request that the Court enter a Final Approval Order and Judgment as follows:

6 **1. Final Approval Order.** The Final Approval Order shall include the following
7 provisions:

- 8 **a.** Finding that the dissemination of the Class Notice in the form and manner
9 ordered by the Court was accomplished as directed, met the requirements of
10 due process, was the best notice practicable under the circumstances, and
11 constituted due and sufficient notice to all persons entitled thereto;
- 12 **b.** Finding that the Class Representative and Class Counsel herein have fairly
13 and adequately represented and protected the interests of the Class at all
14 times in the Action;
- 15 **c.** Finally approving the Settlement Agreement as fair, reasonable, and
16 adequate, and directing consummation of the Settlement Agreement in
17 accordance with its terms and provisions;
- 18 **d.** Finally approving the settlement of the PAGA Claims; and
- 19 **e.** Entering judgment pursuant to California Rule of Court 3.769 as set forth in
20 **Paragraph I(2).**

21 **2. Judgment.** The Judgment shall include the following provisions:

- 22 **a.** Definition of the Class;
- 23 **b.** Direction to the Parties to implement the terms of the Settlement Agreement,
24 including, without limitation, the provisions regarding the payment of the
25 Individual Settlement Payments to each member of the Settlement Class,
26 Individual PAGA Payments to Aggrieved Employees, and the portion of the
27 PAGA Payment to the LWDA, as set forth in this Settlement Agreement;
- 28 **c.** Entering judgment and permanently barring and enjoining all qualifying

1 Aggrieved Employees from prosecuting any Released PAGA Claims
2 released by this Settlement Agreement and permanently barring and
3 enjoining all Settlement Class Members from prosecuting against any of the
4 Released Parties, any individual, class, or collective claims based on any of
5 the Released Claims released herein;

6 **d.** Awarding reasonable attorneys' fees, costs, and expenses to Class Counsel
7 and the Settlement Administrator as provided in **Paragraphs C(5)-C(6)** and
8 **C(7)**, and subject to the limitations set forth in these paragraphs, or reserving
9 jurisdiction with respect thereto;

10 **e.** Awarding an enhancement to the Class Representative as provided in
11 **Paragraph C(4)**, and subject to the limitations set forth therein; and

12 **f.** Reserving continuing and exclusive jurisdiction over all matters related to
13 the administration and consummation of the terms of this Settlement
14 Agreement, over the enforcement, construction and interpretation of this
15 Settlement Agreement, over the enforcement, construction, and
16 interpretation of the Judgment, including, but not limited to, the provisions
17 therein enjoining any further litigation of Released Claims, and over Plaintiff
18 and all Class Members (and their attorneys and law firms) in connection
19 therewith.

20 **J. DEFENDANT'S COMMENT ON SETTLEMENT APPROVAL MOTION PAPERS.**

21 Class Representative will provide Defendant with the opportunity to review and comment upon the
22 drafts of all pleadings to be filed in connection with their Motion for Preliminary Approval and
23 Motion for Final Approval (*e.g.*, notice of motion, memorandum of points and authorities, and
24 declarations) within five (5) days of filing of these respective motions with the Court.

25 **K. FINALITY; EFFECT OF THE SETTLEMENT AGREEMENT NOT BEING**
26 **FINAL.**

27 **1. Finality.** The approval of the Settlement Agreement shall be considered final on the
28 Effective Date. Except as expressly stated herein, none of the obligations of Defendant pursuant to

1 the Settlement Agreement shall become effective until the Settlement Agreement becomes final,
2 but Defendant may waive this condition in writing.

3 **2. Settlement Not Final.** In the event that the Settlement Agreement does not become
4 final, or does not become effective for any reason other than the failure of any Party to perform
5 such Party's obligations hereunder (except as to the Settlement Agreement not becoming final
6 because of any appeal, which circumstance can be waived by Defendant), then the Settlement
7 Agreement shall become null and void and of no further force and effect, and all negotiations,
8 proceedings, and statements relating thereto shall be without prejudice as to the rights of any and
9 all Parties hereto and their respective predecessors and successors, and all Parties and their
10 respective predecessors and successors shall be deemed to have reverted to their respective
11 positions in the Action as of the date and time immediately prior to the execution of this Settlement
12 Agreement, and except as otherwise expressly provided, the effect shall be the same as if the
13 Settlement Agreement was terminated pursuant to **Paragraph L**.

14 **L. TERMINATION OF SETTLEMENT**

15 **1. Right of Rescission.** In the event that Class Members representing more than an
16 aggregate total of five percent (5%) of the total number of Class Members or who are assigned
17 more than an aggregate total of five percent (5%) of the total number of workweeks worked during
18 the Class Period, whichever is greater, elect to exclude themselves from this Settlement Agreement,
19 Defendant will have the unilateral right to void this Settlement Agreement within fifteen (15)
20 business days of the Response Deadline.

21 **2. Terminating Events.** This Settlement Agreement shall be void, the class
22 certification order shall be nullified, and the Preliminary Approval Order and the Final Approval
23 Order and Judgment shall be vacated upon application to the Court in the event that: (a) Defendant's
24 Counsel exercises its rights under **Paragraph L(1)** (subject to the terms and conditions set forth
25 therein); (b) the Court declines to enter Preliminary Approval of this Settlement Agreement or
26 declines to enter the Final Approval Order or Judgment or any part thereof as provided for herein,
27 or the Parties hereto fail to consent to the entry of alternative forms of Judgment, in lieu thereof, or
28 after such consent the Court declines to enter such alternate form of Judgment; or (c) the Court

1 approves this Settlement Agreement, including any amendments hereto, but any such Judgment
2 and Final Approval Order is finally reversed on appeal.

3 **3. Effect of Termination.** Upon any such occurrence set forth above in **Paragraph**
4 **L(2)**: (a) this Settlement Agreement shall be terminated and become void and of no effect, except
5 for the obligation of the Parties to pay, on an equal basis (except that Defendant will be responsible
6 for the Settlement Administrator's fees if Defendant exercise its right to rescind the Settlement
7 pursuant to **Paragraph L(1)**, for any and all expenses incurred in connection with the notice and
8 administration of the Settlement Agreement on or before the date on which the Settlement
9 Agreement is terminated; (b) any actions taken or to be taken in connection with this Settlement
10 Agreement and the Settlement Agreement shall become null and void and of no effect; (c) this
11 Settlement Agreement and any hearings or proceedings thereunder shall not be referred to or used
12 as evidence for or against any Party or Class Member in this or any other action or proceeding; and
13 (d) all pretrial proceedings, including discovery, shall resume thirty (30) calendar days thereafter
14 as if this Settlement Agreement had not been submitted for approval of the Court.

15 **M. NO ADMISSIONS.** The Settling Parties understand and agree that this Settlement
16 Agreement is the result of a good faith compromise settlement of disputed claims, and Defendant
17 is entering into this Settlement Agreement solely to resolve doubtful and disputed matters. No part
18 of this Settlement Agreement or any conduct or written or oral statements made in connection with
19 this Settlement Agreement, whether or not the Settlement Agreement is finally approved or
20 consummated, may be offered as or construed to be an admission or concession of any kind by
21 Defendant or any of the other Released Parties, or anyone else. In particular, but without limiting
22 the generality of the foregoing, nothing about this Settlement Agreement shall be offered or
23 construed as an admission that Defendant has failed to pay any Class Member in accordance with
24 its obligations set forth in the California Labor Code or the Fair Labor Standards Act, or of liability
25 in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever on the part of
26 Defendant or any other of the Released Parties, as alleged in the First Amended Complaint, which
27 shall be the operative complaint in this Action. Similarly, nothing about this Settlement Agreement
28 shall be construed as or deemed to be evidence of, or an admission or concession that, the Class

1 Representative or any Class Member has suffered any damage. In addition, this Settlement
2 Agreement shall not be offered or be admissible in evidence against Defendant or any Released
3 Party, except in any action or proceeding brought by or against Plaintiff, the Class, Class Members,
4 or Defendant to enforce its terms, or by Defendant in defense of any claims brought by Plaintiff,
5 the Class Members, or any member of the general public, including any and all individuals who
6 opted out of the Class. The provisions of this Paragraph shall become effective when this Settlement
7 Agreement is signed and shall be binding on the Settling Parties and their counsel regardless of
8 whether the Settlement Agreement is preliminarily and/or finally approved or terminated for any
9 reason or rendered null and void.

10 **N. EXTENSIONS OF TIME.** Without further order of the Court, the Parties hereto may agree
11 in writing to reasonable extensions of time to carry out any of the provisions of this Settlement
12 Agreement.

13 **O. CONSTRUCTION.** This Settlement Agreement was entered into after substantial good
14 faith, arms-length negotiations between the Parties' counsel. This Settlement Agreement is entered
15 into freely and voluntarily only after each Party had carefully read and reviewed it with counsel,
16 and it reflects the conclusion of each Party that this Settlement Agreement and the Judgment and
17 the Releases, waivers, and covenants contemplated hereby are in the best interest of said Party. This
18 Settlement Agreement has been entered into without any coercion and under no duress. The Settling
19 Parties acknowledge and agree that all Settling Parties had an equal hand in drafting this Settlement
20 Agreement so that it shall not be deemed to have been prepared or drafted by one Party or another.
21 All Settling Parties waive the provisions of California Civil Code section 1654, which provides, in
22 pertinent part, that "the language of a contract should be interpreted most strongly against the Party
23 who causes the uncertainty to exist." Except as expressly provided herein, this Settlement
24 Agreement is not intended to confer any rights or remedies upon any person other than the Settling
25 Parties.

26 **P. LIMITED CONFIDENTIALITY.** This Settlement Agreement shall remain confidential
27 to the extent permitted by law. The Parties agree not to publicize the Settlement except as required
28 by the operation of law. This shall not limit Class Counsel from communicating about the

1 Settlement with Class Members, the LWDA, or the Court.

2 **Q. NO PUBLIC COMMENT.** Class Representative and Class Counsel agree they will not
3 issue any press releases, publish any information relating to the Settlement on their website, or have
4 any communications with the media, other than to direct the media to the public records of the
5 Action on file with the Court or to respond with statements that have been previously agreed upon
6 in writing by the Parties. Class Counsel will take reasonable steps to ensure the Class
7 Representative is aware of, and will adhere to, the restriction against any media comment on the
8 Settlement Agreement and its terms. Further, Class Counsel will not include, reference or use the
9 Settlement Agreement for any marketing or promotional purposes, or for attempting to influence
10 business relationships of Defendant, either before or after the Motion for Preliminary Approval is
11 filed. However, for the limited purpose of allowing Class Counsel to prove adequacy as class
12 counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the
13 venue/case number of this Action, the settlement amounts, and a general description of the Action,
14 to a court in a declaration by Class Counsel. This shall not limit Class Counsel from communicating
15 about the Settlement with Class Members, the LWDA, or the Court.

16 **R. ENTIRE AGREEMENT.** This Settlement Agreement (including all Exhibits annexed
17 hereto) sets forth the entire agreement of the Settling Parties with respect to its subject matter and
18 supersedes any and all other prior agreements and all negotiations leading up to the execution of
19 this Settlement Agreement, whether oral or written, regarding the subjects covered herein. The
20 Settling Parties acknowledge that no representations, inducements, warranties, promises, or
21 statements relating to the subjects covered herein, oral or otherwise, have been made by any of the
22 Settling Parties or by anyone acting on behalf of the Settling Parties that are not embodied or
23 incorporated by reference herein, and further agree that no other agreement, covenant,
24 representation, inducement, promise, or statement relating to the subjects covered herein not set
25 forth in writing in this Settlement Agreement, shall be valid or binding.

26 **S. MODIFICATION OR AMENDMENT.** This Settlement Agreement may not be modified
27 or amended except in a writing signed by all signatories hereto or their successors in interest.

28 **T. DEADLINES FALLING ON WEEKENDS OR HOLIDAYS.** To the extent that any

1 deadline set forth in this Settlement Agreement falls on a Saturday, Sunday, or legal holiday in the
2 State of California, that deadline shall be continued until the following business day.

3 **U. SUCCESSORS.** This Settlement Agreement shall be binding upon and inure to the benefit
4 of the Settling Parties hereto (including Class Members) and their respective heirs, executors,
5 administrators, successors, and assigns, and upon any corporation, partnership, or other entity into
6 or with which any Settling Party hereto may merge, combine, or consolidate.

7 **V. SEVERABILITY.** In the event that any one or more of the provisions contained in this
8 Settlement Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect,
9 such invalidity, illegality, or unenforceability shall in no way affect any other provision if
10 Defendant's Counsel and Class Counsel, on behalf of the Settling Parties and the Class, mutually
11 elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been
12 included in this Settlement Agreement.

13 **W. COUNTERPARTS.** This Settlement Agreement may be executed in counterparts, each of
14 which shall be deemed an original, and all of which together shall constitute one and the same
15 instrument. Facsimile transmission of the signatures of the Parties or their representatives shall be
16 binding on the Parties.

17 **X. WAIVERS.** The waiver by any Party of any breach of this Settlement Agreement shall not
18 be deemed or construed as a waiver of any other breach, whether prior, subsequent, or
19 contemporaneous, of this Settlement Agreement.

20 **Y. GOVERNING LAW.** This Settlement Agreement shall be governed by and construed,
21 enforced, and administered in accordance with the laws of the State of California, without regard
22 for the law of the State regarding conflicts of laws or choice of law. Any orders or judgments
23 entered by the Court in conjunction with the proceedings relating to or arising out of this Settlement
24 Agreement shall be construed and enforced under, and all issues relating to the preclusive effect of
25 such orders or judgments shall be determined by, the California Code of Civil Procedure and the
26 common law of the State of California, relating to the construction, enforcement, and preclusive
27 effect of orders and judgments entered by this Court.

28 **Z. CONTINUING JURISDICTION.** Except as otherwise specifically provided for herein,

1 pursuant to California Code of Civil Procedure section 664.6 and as otherwise allowed by law, the
2 Court will have continuing jurisdiction over the Action for the purpose of implementing the
3 Settlement Agreement, the Final Approval of the Settlement, entry of Judgment, and post-judgment
4 issues, until all related matters are fully resolved. Any dispute regarding the Parties' obligations
5 pursuant to this Settlement Agreement or interpretation of the terms of this Settlement Agreement
6 will be presented by written motion to, and be resolved by, the Court.

7 **AA. REGULATION.** In the event that any provision in this Settlement Agreement shall be
8 affected by any rule, regulation, ordinance, order, directive, or statute by any unit of government,
9 whether state, federal, or local, such rule, regulation, ordinance, order, directive, or statute shall
10 supersede and take precedence over any such provision of this Settlement Agreement to the
11 contrary, and in no event shall Defendant be in violation of this Settlement Agreement nor shall
12 this Settlement Agreement be in any way affected should Defendant take any action or change any
13 of its business practices to comply with such state, federal, or local rules, regulations, ordinances,
14 or statutes currently in force or enacted in the future.

15 **BB. HEADINGS.** The headings contained in this Settlement Agreement are for convenience
16 and reference purposes only and shall not be given weight in its construction.

17 **CC. NOTICES.** Any notices, requests, demands, or other communications required or permitted
18 to be given pursuant to this Settlement Agreement, other than Class Notice, shall be in writing and,
19 except as provided elsewhere in this Settlement Agreement or in any communication to the Class,
20 shall be delivered personally, via overnight delivery or via postage pre-paid first class mail, as
21 follows:

22 **To Plaintiff and the Settlement Class:**

23 Daniel F. Gaines, Esq.
24 Alex P. Katofsky, Esq.
25 GAINES & GAINES, APLC
26 4550 E. Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362

27 **To Defendant:**

28 Paul F. Sorrentino, Esq.
Lara P. Besser, Esq.

JACKSON LEWIS P.C.
225 Broadway, Suite 1800
San Diego, CA 92101

By written notice given in accordance herewith, each Party may modify or change the addressee or address of any person identified above or pursuant hereto as the person or persons to whom all future notices shall be sent.

DD. SIGNATURES OF PARTIES AND COUNSEL FOR THE SETTLING PARTIES.

Parties and counsel for the Settling Parties indicate by signing below their approval of the form of this Settlement Agreement (and exhibits thereto), and, in the case of the Class, their representation and warranty of authority to bind the Class as certified and the Class described herein (subject to the final approval of the Court) and their acceptance of the provisions regarding attorneys' fees.

EE. DISPUTES. All disputes arising out of or related to this Settlement Agreement (except disputes as to Claims of Class Members, which are governed by the provisions of **Paragraph F**) shall be resolved by the Court, as set forth above.

[SIGNATURES ON FOLLOWING PAGE]

1 Dated: 04 / 11 / 2023
2 April _____, 2023

By: Nelson Gonzalez Laguer

NELSON GONZALEZ
Plaintiff and Class Representative

3
4 Dated: March _____, 2023

G.A.T. AIRLINE GROUND SUPPORT, INC.

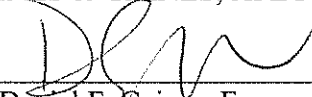
5 By: 

6 Michael Hough
7 Its: CEO

8
9 **APPROVED AS TO FORM AND CONTENT:**

10 Dated: April 11, 2023

GAINES & GAINES, APLC

11 By: 
12 Daniel F. Gaines, Esq.
13 Alex P. Katofsky, Esq.
14 Counsel for Plaintiff and Class
Representative

15 Dated: April 26, 2023

JACKSON LEWIS P.C.

16 By: 
17 Paul F. Sorrentino, Esq.
18 Lara P. Besser, Esq.
19 Counsel for Defendant

20 4881-5472-3931, v. 1

EXHIBIT A

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

NELSON GONZALEZ, on behalf of himself
and all “aggrieved employees” pursuant to Labor
Code § 2698 *et seq.*,

Plaintiffs,

v.

G.A.T. AIRLINE GROUND SUPPORT, INC.,
an Alabama corporation, and DOES 1 through
10, inclusive,

Defendants.

CASE NO: 20BBCV00548

*Assigned to the Honorable Frank M. Tavelman,
Department A*

**NOTICE OF PENDENCY OF PROPOSED
CLASS ACTION SETTLEMENT AND
FINAL HEARING**

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.**

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

- A settlement will provide \$400,000 to pay claims to all individuals who worked for G.A.T. Airline Ground Support, Inc. (“Defendant”) as hourly non-exempt employees in California at any time between November 17, 2017 and December 31, 2022 (the “Class Period”) and all hourly non-exempt employees in California at any time between July 5, 2019 and December 31, 2022 (the “PAGA Period”).
- The settlement resolves a lawsuit alleging that Defendant failed to provide compliant rest periods, or premium compensation in lieu thereof; timely issue final wages upon separation of employment; issue accurate and complete itemized wage statements; violations of Business and Professions Code § 17200; and penalties under the Labor Code Private Attorneys General Act of 2004. The Settlement avoids costs and risks of continuing the lawsuit; pays money to employees; and releases Defendant from liability from the claims asserted in this lawsuit.
- Lawyers for the employees will ask the Court to award them up to \$133,333.33 as attorneys’ fees and \$25,000 as expenses for investigating the facts, litigating the case, and negotiating the settlement. This will be paid from the settlement amount.
- Defendant denies liability and believes all appropriate wages were paid and that it otherwise complied with any Labor Code obligations. The Parties disagree on how much money could have been awarded if employees won at trial. After investigating the claims at issue, and the possible defenses to those claims, the Parties have agreed to settle this case in order to avoid the cost and risk of further litigation. In view of the costs and risks that continued litigation would entail, Plaintiff and his counsel believe the Settlement is in the best interests of all hourly non-exempt employees who worked for Defendant in California during the Class Period (“Class Members”) and the PAGA Period (“Aggrieved Employees”).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You do not need to take any action if you wish to receive your settlement payment. If the settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator. If your address has changed, you must notify the Settlement Administrator of your new address. In exchange for the settlement payment, you will release claims against the Defendant, as detailed below.
Exclude Yourself	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator by the applicable deadline, as detailed below. If you request exclusion, you may receive no money from the Settlement . This is the only option that allows you to ever be part of any other lawsuit against G.A.T. Airline Ground Support, Inc. about the legal claims that were brought in this case. Note that if you exclude yourself and you are an Aggrieved Employee, you will still receive a payment for PAGA penalties and be bound by the settlement of the PAGA claims.
Object	Write to the Settlement Administrator about why you don't like the settlement by the applicable deadline, as detailed below, and/or appear at the Final Approval Hearing to make an oral objection.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement, as detailed below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On September 8, 2020, Plaintiff Nelson Gonzalez ("Plaintiff"), a former employee of G.A.T. Airline Ground Support, Inc., filed this lawsuit in the Los Angeles County Superior Court. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code. The lawsuit seeks to certify a class of all current and former hourly non-exempt California employees of Defendant at any time between November 17, 2017 and December 31, 2022. Specifically, as it pertains to this Settlement, the lawsuit alleges that members of the Class were not provided compliant rest periods, or premium compensation in lieu thereof; were not timely issued final wages upon separation of employment; and were not issued accurate and complete itemized wage statements. The Settlement seeks recovery of wages, damages, interest, statutory and civil penalties, restitution, attorneys' fees and costs. Defendant denies all of the material allegations in the lawsuit and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiff's Attorneys

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
GAINES & GAINES, APLC
4550 E. Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362
Phone: (866) 550-0855

Defendant's Attorneys

Paul F. Sorrentino, Esq.
Lara P. Besser, Esq.
JACKSON LEWIS P.C.
225 Broadway, Suite 1800
San Diego, CA 92101

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff believes he would have prevailed on his claims at a trial. Defendant does not believe that Plaintiff would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Settlement Agreement and Release of Claims ("Settlement" or "Settlement Agreement"), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiff and Plaintiff's Attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members and Aggrieved Employees.

B. Who is in the Settlement Class?

The Settlement encompasses a class composed of all individuals who worked for G.A.T. Airline Ground Support, Inc. as an hourly non-exempt employee in California at any time between November 17, 2017 and December 31, 2022, and, with regard to the PAGA Claims, all hourly non-exempt California employees who worked between July 5, 2019 and December 31, 2022.

C. What does the Settlement provide?

1. Gross Settlement Amount.

The Settlement provides that Defendant will pay \$400,000 (the "Gross Settlement Amount") to settle the lawsuit.

2. Net Settlement Amount.

The "Net Settlement Amount" is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

(a) **Class Counsel's Attorneys' Fees** in an amount set by the Court, not to exceed 33-1/3% of the Gross Settlement Amount (i.e. \$133,333.33);

(b) **Class Counsel's Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$25,000;

(c) **Enhancement Payment to the Class Representative** in an amount set by the Court, not to exceed \$1,500 for his service in the lawsuit;

(d) **Settlement Administration Costs** which are currently estimated not to exceed \$30,000, for administering the settlement; and

(e) **PAGA Payment** in the total amount of \$40,000 for the settlement of claims arising under the California Private Attorneys General Act (“PAGA”). 75%, or \$30,000, shall be paid to the California Labor and Workforce Development Agency. The remaining 25%, or \$10,000, will be distributed to hourly non-exempt California employees who worked for Defendant from July 5, 2019 to December 31, 2022 (“Aggrieved Employees”), for the release of their claims arising under PAGA.

3. Individual Settlement Payment.

Your share of the Net Settlement Amount will be determined by the formula detailed in section E below. Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

D. What Are You Giving Up To Get A Payment Or Stay In The Class?

Subject to the occurrence of the Effective Date, each Class Member who has not timely and appropriately opted out of this Settlement Agreement by way of submitting a Request for Exclusion (i.e. the Settlement Class), fully releases and discharges the Defendant and each of its respective parent companies, subsidiaries, affiliates, joint ventures, predecessors, successors, and related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and anyone else acting for any of them (the “Released Parties”) from all claims and/or causes of action arising from the allegations in this case as alleged in the operative class action and PAGA complaint and amendments, under any federal, state or local law or administrative order, related to the failure to provide rest periods or pay premium compensation in lieu thereof, the failure to issue accurate itemized wage statements, and the failure to timely pay wages due at separation of employment, and including all related claims for restitution and other equitable relief under Business and Professions Code section 17200, statutory and liquidated damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 201, 202, 203, 226, 226.7, 2698, et seq.; and the related IWC Wage Orders including Wage Order Nos. 5 and 9 (the “Released Claims”). All other claims asserted in the Action, including claims related to unpaid minimum and overtime wages, shall be dismissed without prejudice as to the Class Members (but with prejudice as to Plaintiff Nelson Gonzalez only). This Release also covers all claims for interest, attorneys’ fees and costs related to the Action. In addition, any Class Member who has not timely and appropriately opted out of this Settlement Agreement in accordance with the Request for Exclusion process shall be a member of the Settlement Class and forever agrees that he or she shall not institute a claim, nor accept back pay, unpaid wages, liquidated damages, penalties of any nature, attorneys’ fees and costs, or any other relief from any other suit, class, collective action, or representative or administrative claim, or other claim of any sort or nature whatsoever against the Released Parties with respect to the Released Claims.

Subject to the occurrence of the Effective Date, and in addition to the release of Released Claims against the Released Parties made by all Settlement Class Members, all Aggrieved Employees shall be deemed to have released their respective all claims and/or causes of action for civil penalties recoverable under PAGA arising from the allegations in this case as alleged in the operative class action and PAGA complaint and amendments, under any federal, state or local law or administrative order, related to the failure to provide rest periods or pay premium compensation in lieu thereof, the failure to issue accurate itemized wage statements, and the failure to timely pay wages due at separation of employment including claims for violations of Labor Code sections 201, 202, 203, 226, 226.7, 2698, et seq.; and the related IWC

Wage Orders including Wage Order Nos. 5 and 9 (the “Released PAGA Claims”) against the Released Parties. PAGA claims related to unpaid minimum and overtime wages shall be dismissed without prejudice as to the Aggrieved Employees. Parties agree that there is no statutory right for any Aggrieved Employee to opt out, object, or otherwise exclude himself or herself from the PAGA Payment and the associated release of claims and rights under PAGA.

E. How Is My Share Of The Settlement Calculated?

Each participating Class Member (those who do not opt out of the Settlement) and all Aggrieved Employees shall receive an “Individual Settlement Payment,” which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form) and is a portion of the PAGA Payment distributable to each Aggrieved Employee, regardless if they request exclusion from the class settlement or not.

The Net Settlement Amount shall be divided among Class Members based on the Class Members’ number of Class Workweeks worked during the Class Period. The Settlement Administrator will calculate each Class Member’s pro rata share of the Net Settlement Amount by dividing the total number of Class Workweeks worked by all Class Members during the Class Period into the Net Settlement Amount (i.e., the “Workweek Value”), and then multiplying the Workweek Value by the number of Class Workweeks actually worked by each Class Member during the Class Period.

The Individual PAGA Payment to each Aggrieved Employee shall be determined by dividing the \$10,000 allocated to the Aggrieved Employees by the total number of weeks worked by all Aggrieved Employees during the PAGA Period, resulting in the PAGA workweek value; and then multiplying the PAGA workweek value by the number of weeks worked by each Aggrieved Employee during the PAGA Period.

For tax purposes, each Individual Settlement Payment will be apportioned (a) 10% as wages (reported on an IRS Form W-2 and subject to applicable withholdings); and (b) 90% as non-wage statutory damages and interest (reported on an IRS Form 1099, if required). The Individual Aggrieved Employee Payments will be apportioned 100% as non-wage penalties (reported on an IRS Form 1099, if required).

According to the records of Defendant, you worked [_____] weeks while employed in an hourly non-exempt position in California from November 17, 2017 to December 31, 2022 and you worked [_____] weeks while employed in an hourly non-exempt position in California from July 5, 2019 to December 31, 2022. Based on these weeks worked, you are entitled to an Individual Settlement Payment of approximately \$[_____]. This amount is subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than _____, 2023. In the event of a dispute, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final and binding determination without a hearing or right of appeal by you.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the “Final Settlement Hearing”) on _____, at _____ .m., in the Courtroom of Judge Frank M. Tavelman of

the Los Angeles County Superior Court, Department A, located at 300 East Olive, Burbank, CA 91502. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorneys' fees and costs to be awarded to Plaintiff's Attorneys; and (v) the amount that should be awarded to Plaintiff as an enhancement payment. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than _____. The Settlement Administrator's address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must contain the objecting person's full name, current address, last four digits of his or her social security number, and include all objections and the reasons therefore, and include any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations). The objection should also be dated and signed by the Class Member and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than _____.

Any Class Member who files an objection remains a part of the Settlement Class, eligible to receive monetary compensation from the Settlement. Neither Defendant nor the Class shall be responsible for fees, costs, or expenses related to any Class Members who submit objections to the Settlement Agreement or any appeal by an objector arising from the Action for attorneys' fees, costs, or expenses of any kind. Notwithstanding the above, no Class Member shall be permitted to object to the settlement of the PAGA Claims.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself ("opt out") from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will not be bound by a judgment in

this case (except that you will be bound by the PAGA release in section D above, whether you opt out or not) and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by submitting a valid, fully-executed Request for Exclusion to the Settlement Administrator at the above-stated address. Your exclusion request must be postmarked no later than _____ or it will be rejected. You should use the attached form to request exclusion.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed "Settlement Agreement and Release of Claims" which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the Los Angeles County Superior Court, located at 300 East Olive, Burbank, CA 91502.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number], or Gaines & Gaines, APLC, Counsel for the Class, at (866) 550-0855.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA**

4895-0917-9484, v. 1

EXHIBIT B

REQUEST FOR EXCLUSION

ONLY COMPLETE THIS REQUEST FOR EXCLUSION FORM IF YOU WANT TO OPT OUT OF (NOT PARTICIPATE IN) THE SETTLEMENT OF THE ACTION KNOWN AS *Nelson Gonzalez v. G.A.T. Airline Ground Support, Inc., and Does 1 Through 10, Inclusive*, Defendants, Los Angeles County Superior Court, Case No. 20BBCV00548. **IF YOU OPT OUT OF THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PORTION OF THE CLASS SETTLEMENT AMOUNT.**

I confirm that I was employed by Defendant G.A.T. Airline Ground Support, Inc. as an hourly non-exempt employee from November 17, 2017 through December 31, 2022.

I do not wish to receive any payment under the terms of the proposed class action settlement or to otherwise participate in the proposed settlement.

Date: _____

Signature: _____

Print Name: _____

Residence Street Address: _____

City, State and Zip Code: _____

IN ORDER TO BE VALID, THIS REQUEST FOR EXCLUSION FORM MUST BE COMPLETED, SIGNED, MAILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE **[45 days after mailing of Notice]**. Send this signed request for exclusion form to the Settlement Administrator:

G.A.T. Airline Ground Support, Inc. Claims Administrator
c/o _____ [claims admin]

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