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

ANDRES PAYAN, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

AIRCRAFT COMPONENT REPAIR, INC. a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. 21STCV04846

*[Assigned for all purposes to the Hon. David S.
Cunningham, Dept. SSC-11]*

**DECLARATION OF ELIZABETH
NGUYEN IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: February 10, 2022
Time: 11:00 a.m.
Dept.: SSC-11

FAC filed: June 23, 2021
Complaint filed: February 5, 2021

1 I, ELIZABETH NGUYEN, declare as follows:

2 1. I am a shareholder of the law firm Lidman Law, APC, and counsel for the named Plaintiff
3 Andres Payan (“Plaintiff”) and the proposed Settlement Class in the above-captioned matter. I am a
4 member in good standing of the bar of the State of California and am admitted to practice in this Court. I
5 have personal knowledge of the facts stated in this declaration and could testify competently to them if
6 called upon to do so.

7 2. I am a 2005 graduate of Loyola Law School. During law school, I worked as an extern for
8 the Honorable Erithe A. Smith, U.S. Bankruptcy Court for the Central District of California. During law
9 school, I also worked as a law clerk in the Enforcement Unit of the Office of the Chief Trial Counsel for
10 the State Bar of California.

11 3. Since graduating from law school, my practice has focused almost exclusively on
12 employment litigation. In October 2007, I began working as an associate attorney at the international law
13 firm of Littler Mendelson P.C., at its Los Angeles office, which according to its website is the “largest
14 law firm in the world exclusively devoted to representing management in employment, employee benefits
15 and labor law matters.”

16 4. In June 2012, I left Littler Mendelson to work at the Los Angeles office of Reed Smith
17 LLP. During my employment at Reed Smith, I worked exclusively in the labor and employment practice
18 group. In June 2013, I returned to Littler Mendelson as an associate attorney, was promoted to Shareholder
19 in 2015, and was elevated to participating Shareholder in 2017. Since October 2007, my practice has been
20 and continues to be exclusively labor and employment law, with a strong emphasis on wage and hour
21 class actions venued in both state and federal courts. During this time period and my legal career in
22 general, I also worked on a number of single and multi-plaintiff wage and hour matters as well. During
23 my employment at Littler Mendelson, I was a member of its Class Action Practice Group.

24 5. During my employment at Littler Mendelson, I played a significant role in the class actions
25 that I was staffed on, and was primarily responsible for managing the litigation both in my role as a Senior
26 Associate and as a Shareholder. In particular, I received a wide-array of wage and hour class action
27 experience performing the following types of tasks: drafting demurrers, motions to strike and/or dismiss;
28 removing actions from state court to federal court; drafting and responding to written discovery; drafting

1 and opposing discovery related motions; arguing discovery related motions; drafting motions to
2 consolidate related matters; interviewing putative class members and obtaining declarations in connection
3 with class certification; drafting oppositions to motions for class certification; conducting exposure
4 analyses to assess the strengths and weaknesses of asserted claims, the likelihood of prevailing at class
5 certification and potential damages resulting from such claims; drafting mediation briefs; serving as the
6 primary contact to in-house counsel; deposing named plaintiffs and putative class members; deposing
7 retained expert witnesses; and defending the depositions of corporate witnesses. I also was involved in
8 the negotiations and settlements of many large wage and hour class actions. In short, I played an integral
9 role in all aspects of litigation from the inception of a matter through and beyond class certification. I also
10 supervised the work of several associate attorneys who were staffed on the same wage and hour class
11 actions.

12 6. Although not exhaustive, below is a list of many of the wage and hour class and PAGA
13 actions that I performed substantial work on while I was an Associate and/or Shareholder at Littler
14 Mendelson:

- 15 ► *Branch v. PM Realty Group, Inc.* Case No. BC575759, Los Angeles Superior
16 Court, County of Los Angeles, Honorable Ann Jones, presiding.
- 17 ► *Herrera v. Pharmavite, LLC*, Case No. BC599201, Los Angeles Superior Court,
18 County of Los Angeles, Honorable Judge Carolyn Kuhl, presiding.
- 19 ► *Dugan v. Stoneledge Furniture, LLC*, Case No. 16-cv-01125-PA-FFMx, United
20 States District Court, Central District of California, Honorable Judge Percy
21 Anderson, presiding.
- 22 ► *Klune v. Stoneledge Furniture, LLC*, Case No. 14-cv-03986-PA-FFMx, United
23 States District Court, Central District of California, Honorable Judge Percy
24 Anderson, presiding.
- 25 ► *Diaz v. ABM Industries, Inc.; Ampco Parking*, Case No. BC362932, California
26 Superior Court, County of Los Angeles, Honorable Judge Jane Johnson, presiding.¹

27
28 ¹ This matter was consolidated and litigated collectively with Case Nos. BC380923, BC 381523 and BC 406663.

- 1 ▶ *Adams v. Luxottica Retail North America, Inc.*, Case No. 07CC01346, California
2 Superior Court, County of Orange, Honorable Judge Thierry Patrick Colaw,
3 presiding.
- 4 ▶ *Page v. Luxottica Retail North America, Inc.*, Case No. FCS041512, California
5 Superior Court, County of Solano, Honorable Judge Paul Berman, presiding.
- 6 ▶ *Parker v. FedEx National LTL, Inc.*, Case No. 11-CV-006380-DSF-FFM, United
7 States District Court, Central District of California, Honorable Judge Dale Fischer,
8 presiding.
- 9 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
10 States District Court, Central District of California, Honorable Judge Margaret
11 Morrow, presiding.
- 12 ▶ *Bernal v. Comerica Bank, et al.*, Case No. 11-cv-01298-JAH-BGS, United States
13 District Court, Central District of California, Honorable Judge Margaret Morrow,
14 presiding.
- 15 ▶ *Granata v. Comerica Bank, et al.*, Case No. 37-2011-00086316-CU-OE-CTL,
16 California Superior Court, County of San Diego, Honorable Judge Jeffrey B.
17 Barton, presiding.
- 18 ▶ *Mathews v. Comerica Bank, et al.*, Case No. 111CV194781, California Superior
19 Court, County of Santa Clara.
- 20 ▶ *Gallegos v. Comerica Bank, et al.*, Case No. BC455515, California Superior Court,
21 County of Los Angeles, Honorable Judge Terry Green, presiding.
- 22 ▶ *Rumohr v. Comerica Bank, et al.*, Case No. CGC-11-508433, California Superior
23 Court, County of San Francisco.
- 24 ▶ *Robertson v. FedEx National LTL, Inc.*, Case No. 09-CV-05016-DSF-FFM, United
25 States District Court, Central District of California, Honorable Judge Dale Fischer,
26 presiding.
- 27
28

1 ► *Wittman v. FedEx National LTL, Inc.*, Case No. 09-CV-03663-DSF-FFM, United
2 States District Court, Central District of California, Honorable Judge Dale Fischer,
3 presiding.

4 7. In January 2018, I voluntarily resigned from Littler Mendelson in order to start a law firm
5 with another former Littler Mendelson Shareholder, Scott M. Lidman, to represent employees with work-
6 related claims, including primarily wage and hour claims and almost exclusively on a class-action basis.
7 I am currently a Shareholder of Lidman Law, APC. Currently, over ninety percent (90%) of my practice
8 is dedicated exclusively to the prosecution of wage and hour class actions, and I am currently responsible
9 for prosecuting over sixty-five (65) wage and hour class actions filed in State courts throughout
10 California, with several of them having been removed to Federal courts. I believe that my professional
11 experience renders me more than qualified to serve as class counsel in this lawsuit involving claims of
12 underpaid overtime and minimum wages, meal and rest period violations, and derivative penalty claims.
13 Not only have I litigated dozens of wage and hour cases throughout my career involving similar claims,
14 including the wage and hour class actions identified above, I have litigated similar claims from both
15 plaintiff and defense perspectives. As a result, I am able to realistically assess and evaluate the facts and
16 legal arguments that can be made in pursuit and defense of similar wage and hour claims, as well as those
17 facts and arguments in support and in opposition to class certification. Consequently, I am able to
18 appreciate the significant risks, uncertainties, and delay involved in wage and hour class action litigation.

19 8. I have been appointed Class Counsel in: *Guardado v. Wesley Allen, Inc.*, Case No.
20 BC683027, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl
21 presiding; *Rodriguez v. Satco, Inc.*, Case No. BC682137, California Superior Court, County of Los
22 Angeles, Honorable Judge Ann I. Jones presiding; *Ong v. Howard's Appliances, Inc.*, Case No. 30-2017-
23 00964213-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge William Cluster
24 presiding; *Hanke v. C&W Facility Services, Inc.*, Case No. CIVDS1814412, California Superior Court,
25 County of San Bernardino, Honorable Judge David Cohn presiding; *Molina v. Mader News, Inc.*, Case
26 No. BC685960, California Superior Court, County of Los Angeles, Honorable Judge Yvette M.
27 Palazuelos presiding; *Alvarez v. Salamander Fire Protection, Inc.*, Case No. BC688326, California
28 Superior Court, County of Los Angeles, Honorable Judge William F. Highberger presiding; *Rodriguez*

1 v. *H.F. Cox, Inc.*, Case No. BC653164, California Superior Court, County of Los Angeles, Honorable
2 Judge Carolyn B. Kuhl presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California
3 Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Teran v.*
4 *Western Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside,
5 Honorable Judge Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No.
6 BC688477, California Superior Court, County of Los Angeles, Honorable Judge Daniel J. Buckley
7 presiding; *Huynh v. Polypeptide Laboratories, Inc.*, Case No. BC680872, California Superior Court,
8 County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Guzman v. Century Blinds*, Case
9 No. RIC1723654, California Superior Court, County of Riverside, Honorable Judge Sunshine S. Sykes
10 presiding; *George v. Convergence Marketing*, Case No. CIVDS1901039, California Superior Court,
11 County of San Bernardino, Honorable Judge David S. Cohn presiding; *Coffee, et al. v. Flyers*
12 *Transportation Energy, LLC*, Case No. 34-2017-00222084, California Superior Court, County of
13 Sacramento, Honorable Judge Alan G. Perkins presiding; *Romero v. Fillmore Hospitality, LLC*, Case
14 No. BC705667, California Superior Court, County of Los Angeles, Honorable Judge Maren E. Nelson
15 presiding; *Wennerstrom, et al. v. Giant Inland Empire R.V. Center*, Case No. CIVDS1617291, California
16 Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Contreras, et al.*
17 *v. Letter Ride, LLC*, Case No. 37-2018-00020841-CU-OE-CTL, California Superior Court, County of
18 San Diego, Honorable Judge Eddie C. Sturgeon presiding; *Davis v. WeDriveU*, Case No. 18CV322578,
19 California Superior Court, County of Santa Clara, Honorable Judge Brian C. Walsh presiding; *Acuna v.*
20 *Canton Food Co., Inc.*, Case No. BC685001, California Superior Court, County of Los Angeles,
21 Honorable Judge David S. Cunningham presiding; and *Contreras v. Worldwide Flight Services, Inc.*,
22 Case No. 2:18-cv-06036-PSG-SS, United States District Court for the Central District of California, the
23 Honorable Judge Philip S. Gutierrez presiding.

24 9. As co-counsel for Plaintiff and the proposed Settlement Class, I have been intimately
25 involved in every aspect of this case from its inception through the present, and I believe that the proposed
26 Settlement is a favorable result for the Settlement Class under the circumstances presented.

27 10. Defendant Aircraft Component Repair, Inc. (hereinafter “ACR” or “Defendant”) is a
28 manufacturer of automotive exhaust systems. On February 5, 2021, Plaintiff filed a putative class action

complaint against ACR in Los Angeles County Superior Court. On February 8, 2021, Plaintiff submitted a letter to the California Labor & Workforce Development Agency (“LWDA”) and ACR of his intention of filing a PAGA claim based on the labor code violations as alleged in his complaint. Therefore, on June 23, 2021, after exhausting his administrative remedies, Plaintiff filed a First Amended Class Complaint adding a cause of action for civil penalties under the PAGA. A true and correct copy of Plaintiff’s letter to the LWDA and ACR is attached hereto as **Exhibit 1**.

11. After agreeing to participate in early mediation, ACR informally produced time records and payroll data for the entire putative class for a randomly selected 18 pay periods during the relevant time period, as well as its wage and hour policies and other relevant documents and information relevant to the claims alleged in advance of mediation. After the detailed review of the payroll and time records and other documents and policies produced by ACR, Class Counsel drew on their extensive experience in similar cases to assess the strengths and weaknesses of Plaintiff’s case. This discovery allowed the parties to assess the merits and value of Plaintiff’s claims and ACR’s defenses thereto, if a settlement could not be reached.

12. On October 26, 2021, after extensive research and analysis, a mediation was held with Steven G. Mehta, a well-respected wage and hour class action mediator. During mediation, the parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff’s claims, and the legal basis for the claims and defenses. Ultimately, the parties agreed in principle on a class-wide resolution. In the weeks that followed, the parties finalized the terms of settlement and executed the Stipulation of Settlement (“Settlement”). A true and correct copy of the Settlement executed by Plaintiff and his counsel is attached hereto as **Exhibit 2**. The proposed Notice Packet documents are attached as Exhibit A to the Settlement.

13. The monetary terms of the Settlement are summarized below:

Gross Settlement Amount (“GSA”):	\$209,100.00
Minus Court-approved attorneys’ fees (update to 1/3 of GSA):	\$69,700.00
Minus Court-approved, verified costs (up to \$15,000.00):	\$15,000.00
Minus Court-approved Class Representative Service Award:	\$5,000.00
Minus Settlement Administration Costs:	\$2,400.00

1 Minus PAGA: \$20,000.00

2 **Net Settlement Amount (“NSA”): \$97,000.00**

3
4 Defendant will pay the Gross Settlement Amount within thirty (30) calendar days of the Effective
5 Date. *See* Settlement, ¶ V.A.5.

6 After deducting amounts for the Court-approved attorneys’ fees and verified costs, Service Award
7 to Plaintiff, Settlement Administrator costs, and the PAGA payment, the Settlement requires ACR to pay
8 a Net Settlement Amount (“NSA”) of at least **\$97,000.00** to all Settlement Class members who do not
9 timely opt out.

10 14. According to ACR, there are approximately 33 total Settlement Class members defined as:
11 All current and former non-exempt, hourly employees of Defendant Aircraft Component Repair, Inc. who
12 worked at any time in California between February 5, 2017 and the date of preliminary approval. For
13 purposes of this Settlement Agreement, the “Class Period” shall mean the time period of February 5, 2017
14 through the date of preliminary approval of this Settlement Agreement.

15 The proposed PAGA Employees is defined as “all current and former non-exempt, hourly
16 employees of Defendant Aircraft Component Repair, Inc. who worked at any time in California between
17 February 5, 2020 and the date of preliminary approval.” For purposes of this Settlement Agreement, the
18 “PAGA Period” shall mean the time period of February 5, 2020 through the date of preliminary approval
19 of this Settlement Agreement.

20 Thus, the average Individual Settlement Payment is projected to be approximately **\$3,090.91**.

21 15. Settlement Class members’ claims arise from ACR’s common, uniform policies and
22 practices that applied to Settlement Class members during the class period. Specifically, Plaintiff alleged
23 that ACR’s common and uniform policies and practices resulted in the following violations: (1) failure
24 to pay all overtime wages owed; (2) failure to pay all minimum wages owed; (3) failure to provide all
25 legally required meal periods; (4) failure to authorize and permit all legally required rest periods; (5)
26 failure to pay all final wages upon separation of employment; (6) failure to provide accurate, itemized
27 wage statements; (7) engagement in unlawful business practices; and (8) liability for civil penalties under
28 the PAGA.

1 16. As described in the accompanying Motion for Preliminary Approval, Plaintiff alleges that
2 he and Settlement Class members were not fully compensated for all of their time worked. Specifically,
3 Plaintiff alleges ACR would keep track of his hours and the hours of the other non-exempt employees,
4 and would unlawfully shave their work time and/or round their work time such that they would not be
5 fully paid for all time worked. Plaintiff also alleges that this time shaving and/or rounding practice
6 utilized by ACR was not-even handed over time and would almost exclusively round and shave in ACR's
7 favor such that the employees were routinely underpaid for their time worked. Indeed, based on
8 Plaintiff's review of the timekeeping data produced in connection with mediation, employees were on
9 average underpaid approximately 10 minutes per week. Accordingly, ACR's exposure for its alleged
10 unlawful rounding is \$23,461 (4,182 workweeks x .17 (10 mins per workweek) x \$33.00 (average
11 overtime rate)).

12 17. ACR contends that it compensated Settlement Class members for all of their time worked.
13 ACR also contends that its rounding practices were lawful, and any unpaid time was *de minimis* and
14 therefore non-compensable. ACR further asserts that Plaintiff would be unable to certify a rounding class
15 given the individualized inquiries that would be required, and also that ACR rounding mechanism was,
16 according to it, allegedly facially neutral. In light of these defenses, Plaintiff discounted the maximum
17 exposure by 35% for the risk of non-certification, and an additional 30% to account for ACR's defenses
18 on the merits, to arrive at an estimated exposure of \$10,674.76.

19 18. Plaintiff alleges that ACR failed to include the payment of quarterly production bonuses to
20 Plaintiff and Settlement Class members in the regular rate of pay when overtime was paid, resulting in a
21 systematic underpayment of overtime wages. Based on the payroll data produced in connection with
22 mediation, ACR paid quarterly production bonuses to approximately 20 of its employees, or 60%, the
23 average production bonus per workweek was \$77.27, and these employees were underpaid an average of
24 \$22.09 per workweek. Further, based on the class list provided in connection with mediation, on average
25 an employee worked approximately 126.71 workweeks. Therefore, over the course of the Class Period,
26 the estimated underpayment in overtime wages owed as a result of ACR's failure to include these forms
27 of payment in the regular rate was \$55,980 (\$22.09 [average underpayment] x 126.71 [average
28 workweeks worked] x 20 [60% of the 33 putative class members]).

1 19. ACR contends that Settlement Class members received all overtime wages to which they
2 were entitled. ACR further counters that any bonuses to putative class members during the relevant time
3 period were discretionary and did not need to be included in the regular rate of pay for overtime purposes.
4 Therefore, based on these risks, Plaintiff discounted the maximum exposure by 25% for the risk of non-
5 certification, and an additional 30% to account for ACR's defenses on the merits, to arrive at an estimated
6 exposure of \$29,389.50.

7 20. Plaintiff alleges that he and Settlement Class members were not provided with all legally-
8 compliant first meal periods beginning before the end of the fifth hour of work. Specifically, Plaintiff
9 alleges that during the relevant time period, ACR did not record meal periods and would unlawfully deduct
10 thirty (30) minutes of work time for purported meal periods whether they were taken or not, and whether
11 they were less than 30 minutes or not. Further, for the 5% of the timekeeping data in which ACR kept track
12 of meal periods, the records showed that in approximately 78% of the meal-enabling shifts, there was either
13 a late, short, or missed meal period. Therefore, Plaintiff calculated ACR's maximum exposure on the
14 alleged meal period violations at approximately \$454,960 ((4,182 workweeks x 5 shifts per workweek x
15 .95 (% of auto-deduct shifts) x \$22.00 average hourly rate) + (4,182 workweeks x 5 shifts per workweek
16 x .05 x .78 (non-compliance rate) x \$22.00 average hourly rate)).

17 21. ACR counters that it has always provided non-exempt employees with an opportunity to
18 take legally compliant meal periods, and any non-compliant meal periods reflected in employee
19 timekeeping records were solely the result of employee choice, rather than any policy or practice of ACR.
20 ACR points out that it is only required to "provide" the opportunity to take meal periods, not "ensure"
21 meal periods are taken, and that they have always done so. Finally, ACR contends Plaintiff's meal period
22 claim is not suited for class certification, since individual inquiries would be required to assess which
23 employees took non-compliant meal periods, how many meal periods were non-compliant or missed, and
24 the reasons why a particular employee took a non-compliant meal period or missed a meal period during
25 a particular shift. Accordingly, Plaintiff discounted the maximum exposure by 45% for the risk of non-
26 certification, and an additional 30% to account for ACR's defenses on the merits to arrive at an estimated
27 exposure of \$175,159.60.

1 22. Plaintiff alleges that he and Settlement Class members were also not authorized and
2 permitted to take all required rest periods due to ACR's rest period policies and practices that fail to
3 authorize and permit all rest periods for every four hours worked, *or major fraction thereof*. Specifically,
4 Plaintiff alleges that ACR failed to authorize and permit Plaintiff and other non-exempt employees to
5 take third rest period when they worked shifts in excess of 10.0 hours. Based on the data, 25% of the
6 shifts worked were in excess of 10.0 hours. Accordingly, Plaintiff calculated ACR's maximum exposure
7 for rest period violations at \$115,005 (4,182 workweeks x 5 shifts per workweek x .25 (% of shifts over
8 10.0 hours) x \$22.00 average premium).

9 23. ACR contends it has always maintained and enforced lawful rest period policies and
10 practices, and that Settlement Class Members were authorized and permitted to take all off-duty rest
11 periods in compliance with California law. Further, ACR argues that Plaintiff's rest period claim is
12 inherently unsuited for class treatment as it requires an individualized inquiry into whether each
13 Settlement Class Member was in fact authorized and permitted to take a compliant rest period, which
14 would devolve into an unmanageable series of mini-trials. Accordingly, Plaintiff discounted the
15 maximum exposure by 50% for the risk of non-certification, and an additional 35% to account for ACR
16 defenses on the merits to arrive at an estimated exposure of \$37,376.63.

17 24. Plaintiff further alleges that ACR issued inaccurate wage statements in violation of Labor
18 Code § 226 as a result of the alleged unpaid minimum wages, overtime wages, and meal and rest period
19 premium wages described above. Specifically, Plaintiff contends that this conduct violated Labor Code
20 § 226(a) because the wage statements issued to Settlement Class Members did not include all hours
21 worked and the rate at which they were being paid. Plaintiff's data analysis reflected that there were
22 approximately 1,349 wage statements issued during the relevant time period. Therefore, Plaintiff
23 calculated ACR's maximum exposure for wage statement violations at approximately \$134,200 ((\$50.00
24 x 14 current employees) + (\$100.00 x 1,335 subsequent wage statements)).

25 25. ACR argues that meal and rest period claims cannot support a claim for wage statement
26 penalties. ACR further argues that its alleged wage statement violations could not be shown to be
27 "knowing and intentional," and that Plaintiff cannot show that he or any other employee "suffer[ed] injury"
28 as a result of the alleged wage statement violations, as required by Lab. Code § 226(e) for imposition of

1 penalties. As such, Plaintiff discounted the calculated exposure by 50% for a risk of non-certification and
2 an additional 45% for a risk of being unsuccessful on the merits, to arrive at an estimated total of
3 \$36,905.00.

4 26. Plaintiff alleges that ACR is also liable for waiting time penalties under Labor Code section
5 203 as a result of its failure to pay all wages. Based on the data provided by ACR, there were approximately
6 17 Settlement Class members who have separated their employment with ACR during the relevant time
7 period who could be entitled to waiting time penalties. Therefore, Plaintiff calculated ACR's maximum
8 exposure for waiting time penalties at approximately \$89,760 (17 former employees x \$22.00/hour x 30
9 days x 8 hours/day).

10 27. ACR asserts it has strong defenses to the waiting time claim because there exist good-faith
11 disputes as to Plaintiff's underlying claims, precluding imposition of penalties. Accordingly, Plaintiff
12 discounted the maximum exposure by 45% for the risk of non-certification, and an additional 40% to
13 account for ACR's defenses on the merits, to arrive at an estimated exposure of \$29,620.80.

14 28. Plaintiff also seeks civil penalties under the PAGA as a result of the foregoing alleged Labor
15 Code violations. Plaintiff calculated ACR's maximum exposure at \$134,900 (1,349 pay periods x \$100
16 initial violation rate).

17 29. ACR argues that Plaintiff's PAGA claim will fail for the same reasons that his underlying
18 claims will fail. ACR also maintains that, given its good faith defenses, this Court would exercise its
19 discretion to substantially reduce any PAGA penalties if it were to find ACR liable for any of Plaintiff's
20 claims. Therefore, Plaintiff discounted the maximum exposure figure by 50% for a risk of being
21 unsuccessful on the merits, and an additional 35% to account for the possibility of this Court reducing
22 penalties, to arrive at an estimated exposure of \$43,842.50.

23 30. Using these estimated figures for each of the claims described above, Plaintiff predicted the
24 realistic total recovery for the Settlement Class would be approximately \$362,968.78. The proposed
25 settlement of \$209,100.00 therefore represents approximately 57.61% of the reasonably forecasted
26 recovery for the Settlement Class. Preliminary approval is appropriate as the settlement will provide
27 tangible monetary relief to Settlement Class members, and will still provide an average recovery to
28 Settlement Class members of over \$3,000.00.

31. Here, Class Counsel will also apply for an attorneys' fees award of one-third of the GSA, which is currently estimated to be \$69,700.00, and up to \$15,000.00 in verified costs reimbursement. Plaintiff submits the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. My office has incurred substantial attorney fees conducting pre-filing investigation, analyzing Plaintiff's claims, conducting legal research, analyzing Settlement Class members' timekeeping data and payroll records, preparing for and attending mediation, negotiating and revising the long-form Settlement, preparing this Motion, and otherwise litigating the case. I also anticipate my office incurring future attorneys' fees in overseeing the Notice process and fielding questions from Settlement Class members, preparing the final approval papers and attending the Final Approval hearing.

32. Plaintiff has provided written approval of the split of attorneys' fees in this action: 46.5% to Haines Law Group, APC, 31% to Lidman Law, APC, and 22.5% to Michael Burgis & Associates, P.C. Michael Burgis & Associates, P.C. is the referring attorney.

33. Plaintiff will seek a service award of \$5,000.00 at the time of seeking final approval, and I believe this is reasonable given Plaintiff's efforts in this case and the risks he undertook on behalf of the Settlement Class members, including the risk that he could be liable for ACR's costs if this case was unsuccessful. Plaintiff was integral in the prosecution of this action, by, among other things, providing substantial factual information and documents to Class Counsel, participated in meetings with Class Counsel to discuss the claims and theories at issue in the litigation, and otherwise actively participating in the prosecution of their claims. In addition, Plaintiff agreed to a general release of all claims against Defendant.

34. Although the parties engaged in informal discovery, the parties still had significant discovery to complete in formal litigation had the matter not settled. Moreover, Plaintiff still had to file for class certification, and faced the prospect of appeals in the wake of a disputed class certification ruling for Plaintiff and/or an adverse summary judgment ruling. Even if the classes sought to be certified by Plaintiff were in fact certified, the parties would incur considerably more attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

1 35. After this Motion is filed, I will cause a copy of it to be submitted to the LWDA and will
2 file a supplemental proof of service prior to the hearing.

3 I declare under penalty of perjury under the laws of the State of California that the foregoing is
4 true and correct.

5 Executed on January 19, 2022 at El Segundo, California.

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7 _____
8 Elizabeth Nguyen
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EXHIBIT 1

EXHIBIT 1

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

February 8, 2021

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Aircraft Component Repair, Inc.
c/o Christine Meyerstein, Agent for Service of
Process
501 Country Club Lane
Coronado, CA 92118

**VIA U.S. CERTIFIED MAIL –
RETURN RECEIPT REQUESTED**

Aircraft Component Repair, Inc.
25058 Anza Drive
Valencia, CA 91355

Re: *Andres Payan v. Aircraft Component Repair, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Andres Payan in claims arising from his employment with Aircraft Component Repair, Inc., a California corporation (“Defendant”). Mr. Payan is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, if the LWDA decides not to investigate, Mr. Payan intends to pursue a lawsuit on behalf of other “aggrieved employees”, which should be considered to include all current and former hourly employees in California who worked, at least in part, during the one year immediately preceding the date of this letter through the date of trial, the date judgment is entered, the date of settlement and/or other date approved by the Court.

Mr. Payan, a former employee, was employed by Defendant as an hourly, non-exempt employee from approximately November 1990 through on or about August 27, 2020. Mr. Payan worked at Defendant’s facility located in Santa Clarita, California as a Machine Operator.

During his employment with Defendant, Mr. Payan was generally scheduled to work Monday through Saturday, from approximately 5:00 a.m. to approximately 4:00 p.m. Throughout Mr. Payan’s employment with Defendant, Defendant’s policies and/or practices would be to keep track of Mr. Payan’s time worked by having him clock in and out on a timecard and Defendant’s policies and/or practices would be to unlawfully shave and/or round Mr. Payan’s work time such that Mr. Payan would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even handed over time and would almost exclusively round and shave in Defendant’s favor such that Mr. Payan was routinely unpaid for his time worked. As a result, Defendant failed to pay Mr. Payan all required minimum and overtime wages.

Further, during his employment with Defendant, Mr. Payan often worked in excess of eight hours per workday and/or forty hours per workweek, but did not receive proper overtime compensation equal to one and one-half time his regular rate of pay for all overtime hours worked. Specifically, Defendant paid Mr. Payan production bonuses and/or other forms of pay not properly excludable as a matter of law when calculating Mr. Payan's regular rate of pay (hereinafter referred to as "Incentive Pay"). Despite Defendant's payment of Incentive Pay to Mr. Payan, Defendant failed to include the Incentive Pay when calculating his regular rate of pay for purposes of overtime, thereby causing Mr. Payan to be underpaid for all his required overtime wages.

Throughout Mr. Payan's employment with Defendant, Mr. Payan was not provided with all required meal periods in compliance with California law due to Defendant's unlawful meal period policies/practices. Specifically, Defendant used a bell to signify the start of a meal period at 11:30 a.m. and the stop of a meal period at 12:00 p.m. Defendant's meal period policies and/or practices resulted in systematically late, short and/or otherwise unlawful meal periods. In addition, Defendant's meal period policies and/or practices coupled with its timekeeping policies and/or practices failed to provide Mr. Payan and other non-exempt employees with timely meal periods in violation of California law. Further, Defendant's meal period policies and practices fail to provide Mr. Payan and other hourly, non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Mr. Payan worked in excess of 10.0 hours, he was not provided with a second duty-free 30-minute meal period in violation of California law.

Although Mr. Payan was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Payan with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief during at least a portion of the class period, Defendant maintained no payroll code or other mechanism for the payment of meal period premium payments under Labor Code § 226.7 in the event that a legally compliant meal period was not provided to Mr. Payan and their non-exempt employees.

Mr. Payan was also not authorized and permitted to take all legally required paid rest periods due to Defendant's unlawful rest period policies and practices. Specifically, Defendant maintained unlawful rest period policies and practices and failed to authorize and permit Mr. Payan and other hourly, non-exempt employees take a third rest period when they worked shifts in excess of 10.0 hours. Accordingly, Defendant's rest period policies and practices fail to authorize and permit duty-free rest periods for every four hours worked, or major fraction thereof.

Although Mr. Payan was not provided with all legally-compliant rest periods to which he was entitled, Defendant failed to compensate Mr. Payan with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7. Upon information and belief during at least a portion of the class period, Defendant maintained no payroll code or other mechanism for the payment of rest period premium payments under Labor Code § 226.7 in the event that a legally compliant rest period was not provided to Mr. Payan and their non-exempt employees.

As a result of Defendant's failure to pay all minimum wages, overtime wages, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Payan.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Defendant was required to pay Mr. Payan and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 1, § 4. Mr. Payan and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices. As alleged above, Defendant caused Mr. Payan and other aggrieved employees to work hours in a workweek but did not properly compensate Mr. Payan and other aggrieved employees at least minimum wages for all such hours, due to Defendant's unlawful timekeeping practices of rounding and/or shaving Mr. Payan's time worked. This practice by Defendant resulted in Defendant not paying Mr. Payan for all wages owed for the work he performed, including failing to pay him all required minimum wages.

Overtime Violations

Defendant was required to pay Mr. Payan and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As explained above, Defendant had a policy/practice of shaving Mr. Payan's work time and/or rounding Mr. Payan's work time such that he was not fully paid for all time worked. As detailed above, for at least a portion of the time period relevant to his claims, Mr. Payan received non-discretionary year-end bonuses, and/or other forms of pay not excludable as a matter of law when calculating an employee's regular rate (hereinafter the aforementioned forms of pay are collectively referred to as "Incentive Pay"). Despite Defendant's payment of Incentive Pay to Mr. Payan, Defendant failed to include all forms of Incentive Pay when calculating Mr. Payan's regular rate of pay, thereby causing Mr. Payan to be underpaid all of his required overtime wages. Rather, Mr. Payan was only paid one and a half times (or two times in the case of double-time hours) his base hourly rate, which was not equal to his regular rate, as Defendant failed to include the various forms of Incentive Pay earned during corresponding time periods that were required to be included in the regular rate. As a result of these policies/practices, Mr. Payan and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Meal Period Violations

As alleged above, Defendant failed to provide Mr. Payan and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, as a result of the bell signaling system utilized by Defendant, Defendant provided late, short, or otherwise unlawful meal periods to Mr. Payan and its non-exempt employees. As a result, Mr. Payan and other aggrieved employees are owed an additional hour of wages at their regular rate of

compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”). Although Mr. Payan was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Payan and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit Mr. Payan and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. Specifically, Mr. Payan worked shifts in excess of 3.5 hours, but was never provided with a paid rest period for every 4-hour period worked, or major fraction thereof. As a result, Mr. Payan and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Mr. Payan and other similarly aggrieved employees all of their final wages at the time of separation, which included, among other things, underpaid minimum and overtime wages, and meal and rest period premium wages. Pursuant to Labor Code § 203, Defendant’s failure to pay all final wages due to Mr. Payan and similarly aggrieved employees was willful and, consequently, entitles Mr. Payan and other similarly aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendant failed to pay their final wages after their separation, up to a maximum of thirty days.

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Payan and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, total gross wages earned, total net wages earned, and meal and rest period premium wages, in violation of Labor Code § 226 *et seq.* Defendant’s failure to furnish Mr. Payan and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, meal and rest period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant’s reported data.

As an “aggrieved employee,” Mr. Payan will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage

and hour violations alleged herein. Based on Mr. Payan's own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Payan and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Payan and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Payan and other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Payan and other aggrieved employees;
- e) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Mr. Payan and other aggrieved employees;
- f) Defendant violated Labor Code § 226 by failing to furnish Mr. Payan and other aggrieved employees with accurate and compliant itemized wage statements;
- g) Defendant violated Labor Code § 204 by failing to pay Mr. Payan and other aggrieved employees all earned wages at least twice during each calendar month; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Payan and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC



Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Andres Payan (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Aircraft Component Repair, Inc. (“Defendant”), on the other hand. Plaintiff and the Settlement Class are represented by Paul K. Haines of Haines Law Group, APC and Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC. Defendant is represented by Chad D. Bernard and Zoe E. Tremayne of Jackson Lewis P.C. Subject to the approval of the Court, the below-referenced Action is being compromised and settled under the terms and conditions set forth herein.

I. RECITALS

A. On February 5, 2021, Plaintiff filed a Complaint against Defendant in Los Angeles County Superior Court, in the matter entitled *Andres Payan v. Aircraft Component Repair, Inc* Case No. 21STCV04846 (the “Action”). On June 8, 2021, Plaintiff filed the operative First Amended Complaint. In the operative Complaint, Plaintiff alleged that Defendant: (1) failed to pay all minimum wages owed; (2) failed to pay overtime wages owed; (3) failed to provide meal periods, or premium pay for non-compliant meal periods; (4) failed to authorize and permit rest periods, or premium pay for non-compliant rest periods; (5) failed to issue accurate, itemized wage statements; and (6) failed to pay all wages due upon separation of employment. As a result of the foregoing alleged violations, Plaintiff contends that Defendant is further liable to Plaintiff and the Settlement Class (defined below) because it engaged in unlawful business practices and for civil penalties under the Labor Code Private Attorneys General Act of 2004.

B. Defendant denies all material allegations set forth in the Action, defined below, and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action and Released Claims.

C. Class Counsel diligently investigated the proposed Class Members' claims against Defendant in the Action, including any and all applicable defenses and the applicable law, and undertook review and analysis of a volume of documents and data obtained from Defendant and other sources.

D. On October 26, 2021, the Parties participated in mediation before mediator Steve Mehta, a respected mediator of complex wage and hour actions. The Parties successfully settled the matter at mediation and executed a Memorandum of Understanding ("MOU") memorializing the Parties agreement. The settlement discussions were conducted at arm's-length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability of total exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that the Settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

E. This Settlement Agreement is made and entered into by and between Plaintiff, individually, and on behalf of all others similarly situated, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval.

F. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original

respective positions. The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

G. Given the uncertainty of litigation, and to avoid costs of further litigation, Plaintiff and Defendant wish to settle the Action. This Settlement represents a compromise of disputed claims.

II. DEFINITIONS

To the extent terms or phrases used in this Joint Stipulation are not specifically defined below, but are defined elsewhere in this Joint Stipulation, they are incorporated herein by reference.

A. “Action” or “Lawsuit” means the action entitled. entitled *Andres Payan v. Aircraft Component Repair, Inc.* Superior Court of the State of California, County of Los Angeles, Case No. Case No. 21STCV04846.

B. “Attorneys’ Fees” mean the amount awarded to Class Counsel to compensate them for their fees, including their pre-filing investigation, their filing of the Action, and all related litigation activities, this Settlement, and all post-Settlement compliance procedures. Subject to Court approval, the Class Counsel Attorneys’ Fees Payment shall be an amount not to exceed Sixty-Nine Thousand Seven Hundred Dollars and Zero Cents (\$69,700.00), which is one-third (1/3) of the Gross Settlement Amount.

C. “Class” or “Class Member(s)” means all hourly-paid or non-exempt employees who worked for Defendant in the State of California during the Class Period, or each of them.

D. “Class Counsel” means Paul K. Haines of Haines Law Group, APC and Scott M.

Lidman, Milan Moore, and Elizabeth Nguyen of Lidman Law, APC.

E. “Class List” means the Class Member’s (1) full name; (2) last known mailing address and telephone number, if known; (3) full Social Security number; and (4) start and end dates of employment during the Class Period.

F. “Class Period” means the period of time from February 5, 2017 through the date of Preliminary Approval.

G. “Complaint” means the First Amended Class and Representative Action Complaint filed on June 23, 2021, or any subsequently amended complaint filed thereafter in Action.

H. “Court” means the Superior Court of the State of California for the County of Los Angeles.

I. “Defendant” means *Aircraft Component Repair, Inc.*

J. “Defendant’s Counsel” or “Defense Counsel” means Chad D. Bernard and Zoe E. Tremayne of Jackson Lewis, P.C.

K. “Effective Date” means the date when all of the following events have occurred: the date when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant’s Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4) the Court has held a formal fairness hearing and entered a Final Approval Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; (5) 65 calendar days have passed since the Court has entered a Final Approval Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; and (6) in the event there are written objections filed prior to the final fairness hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or

other appellate proceeding opposing the Court's Final Approval Order and Judgment approving the Stipulation of Settlement has been filed, five business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

L. "Final Approval" means the Court's entry of the Final Approval Order and Judgment.

M. "Final Approval Hearing" means the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Joint Stipulation, at which time the Court will enter its order granting final approval of the Joint Stipulation.

N. "Final Approval Order and Judgment" means the order certifying the Settlement Class, granting final approval of the Settlement, and entering judgment based thereon, after the Court has determined that the Settlement is fair, adequate, and reasonable to the Settlement Class, following notice to the Class and a hearing on the fairness of the Settlement.

O. "Gross Settlement Amount" means the amount of TWO HUNDRED NINE THOUSAND, ONE HUNDRED DOLLARS AND ZERO CENTS (\$209,100.00), that Defendant will pay to resolve this Action. The Gross Settlement Amount includes Individual Settlement Shares (exclusive of employer's share of taxes with respect to the wages portion of Individual Settlement Shares); Plaintiff's Incentive Payment; Class Counsel's Attorneys' Fees and Litigation Costs; PAGA Settlement, and Settlement Administration Costs. Defendant shall separately pay the employer's share of taxes for the settlement.

P. "Litigation Cost" mean the amount awarded to Class Counsel to compensate them for their expenses, including their filing of the Action, and all related litigation costs, this Settlement, and all post-Settlement compliance procedures. Subject to Court approval, Class Counsel's Litigation Expenses shall be an amount not to exceed FIFTEEN THOUSAND DOLLARS AND ZERO CENTS (\$15,000.00).

Q. "LWDA" means The State of California Labor and Workforce Development Agency.

R. “LWDA Payment” means FIFTEEN THOUSAND DOLLARS AND ZERO CENTS \$15,000 (75% of the \$20,000 payment allocated to PAGA penalties) allocated to the settlement of PAGA claims, which, subject to Court approval, will be paid to the LWDA.

S. “Net Settlement Amount” means the Gross Settlement Amount less the Settlement Administration Costs, Attorneys’ Fees and Litigation Costs to Class Counsel, PAGA Settlement Amount, and Plaintiff’s Incentive Payment.

T. “Notice of Class Action Settlement” or “Class Notice” means the proposed notice to be mailed to the Class, in substantially the same form as attached “**Exhibit A**,” as set forth in Section IV.B of this Joint Stipulation and as mutually agreed upon by the Parties and approved by the Court.

U. “Opt Out Request” means a request by a Class Member to opt out of this Settlement, and by which a Class Member excludes himself or herself from participating in, receiving any payment from, and being bound by, the terms of this Settlement through the procedures set forth in Section IV.C of this Joint Stipulation. PAGA Employees are not permitted to opt-out of the PAGA Settlement.

V. “PAGA” means the California Private Attorneys General Act of 2004, which is codified in California Labor Code §§ 2698 et seq.

W. “PAGA Employees” means all hourly-paid or non-exempt employees who worked for Defendant in the State of California from February 5, 2020, through the date of Preliminary Approval.

X. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount allocated to the resolution of Class Members’ claims arising under PAGA. The Parties have agreed that the PAGA Settlement Amount is Twenty Thousand Dollars and zero cents (\$20,000.00), subject to Court approval. Of the PAGA Settlement Amount, 75% (\$15,000.00) will be considered the LWDA Payment, and the remaining 25% (\$5,000.00) will be distributed to the PAGA Employees.

Y. “PAGA Release” means all PAGA Employees (including those who have opted

out) will release and discharge the Released Parties from all claims, demands, rights, liabilities and causes of action under California Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698 *et seq.*) as asserted in the operative complaint (as alleged in the letter to the Labor & Workforce Development Agency (“LWDA”) February 8, 2021) that arose during the PAGA Period based on the following claims: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; (f) failure to issue accurate, itemized wage statements based on the foregoing Labor Code violations, Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 8 CAL. C. REGS. § 11130, sections 11 and 12 of IWC Wage Order No. 1.

Z. “Parties” means Plaintiff and Defendant collectively, who are individually referred to as “Party.”

AA. “Plaintiff” or “Class Representative” means Andres Payan.

BB. “Plaintiff’s Incentive Payment” means the amount awarded to Plaintiff, not to exceed FIVE THOUSAND DOLLARS and ZERO CENTS (\$5,000.00) in exchange for a general release of all claims, and in recognition of his effort and work in prosecuting the Action on behalf of the Class Members and negotiating the Settlement.

CC. “Preliminary Approval” means the order by the Court preliminarily approving this Joint Stipulation.

DD. “Preliminary Approval Hearing” means the hearing held on the motion for preliminary approval of the Joint Stipulation.

EE. “Qualified Settlement Fund Account” means the bank account established under this Joint Stipulation from which all monies payable under this Joint Stipulation will be paid, as set forth herein.

FF. “Released Claims” means any and all claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable relief,

which Plaintiff and Settlement Class Member had, or may claim to have, against any of the Released Parties, arising during the Class Period, that were pled or that could have been pled based on the factual allegations set forth in the Complaint, including but not limited to: claims for minimum wage violations; failure to pay overtime wages; rest period violations; meal period violations; failure to timely pay wages; itemized wage statement violations; waiting time penalties based on the foregoing Labor Code violations (Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 8 CAL. C. REGS. § 11130, sections 11 and 12 of IWC Wage Order No. 1); and unfair competition based on the foregoing.

GG. “Released Parties” means Defendant and all of its officers, directors, shareholders, managers, employees, agents, insurers, principals, heirs, representatives, successors, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.

HH. “Response Deadline” means the date that is sixty (60) calendar days after the date the Class Notice is mailed to the Class Members, which will be the deadline for Class Members to submit Opt Out Requests, Workweeks Disputes, or objections to the Settlement.

II. “Settlement Class Members” means Class Members who do not validly request exclusion from (*i.e.*, opt out of) the Settlement.

JJ. “Settlement Administrator” means Simpuris.

KK. “Settlement Administration Costs” means all fees, costs, and expenses relating to the administration of the settlement in this Action, including without limitation, translating, printing, and mailing the Class Notice, calculating and determining settlement payments, regularly updating counsel for the Parties on the status of administration of the Settlement, and the accounting and maintenance of the Qualified Settlement Fund Account.

LL. “Workweeks” means the number of weeks worked by a Class Member during the Class Period according to Defendant’s payroll records, with any partial weeks excluded from the calculations. Workweeks will be calculated by the Settlement Administrator for each Class Member, using each Class Member’s start and end dates of employment to determine the number

of days the Class Member was employed by Defendant within the Class Period or PAGA Period, and dividing the total days by seven (7). Defendant's Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible, written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator's decision on all Workweeks Disputes will be final and non-appealable.

MM. "Workweeks Dispute(s)" means the submission by a Class Member to the Settlement Administrator to dispute the number of Workweeks credited to the Class Member.

III. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS

A. Discovery, Investigation and Research. The Parties engaged in extensive investigation of the facts and law during the prosecution of the Action. The investigation included the exchange of information through informal discovery. Specifically, it included, among other things, the exchange of a volume of documents including Defendant's employment policies, practices, and procedures and a sampling of Class Members' time and pay records. The Parties also prepared for and attended a full-day mediation with Steve Mehta, a well-regarded mediator experienced in mediating complex wage-and-hour matters. Counsel for the Parties also investigated applicable law as applied to the facts in the case and potential defenses, and conducted their own evaluations of the potential recoveries based on the claims in the Action.

B. Allegations of Plaintiff and Benefits of Settlement.

1. This Joint Stipulation was reached after arm's-length bargaining between the Parties with the assistance of an experienced mediator, and after Class Counsel thoroughly reviewed all available information. The information exchanged between the Parties allowed them to assess the merits and to compromise the issues on a fair and equitable basis.

2. Plaintiff and Class Counsel contend the claims asserted in the Action have merit, but they acknowledge the expense and delay of continued litigation to prosecute the Action through class certification, trial, and appeal. Plaintiff and Class Counsel have considered the uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation,

including, and not limited to, considering the risks associated with class certification, trial, and/or appeals. Plaintiff and Class Counsel determined this Joint Stipulation confers substantial benefit to the Class and is in the best interests of Plaintiff and Class Members.

C. Defendant's Denials of Wrongdoing and Benefits of Settlement. Defendant generally denies all claims alleged in the Action and further denies class treatment is appropriate for any purpose other than this Settlement. Defendant contends it complied with California and other applicable law. It is Defendant's position that, if litigation continued, class certification would be denied on all claims. Defendant concluded further litigation of the Action would be protracted and expensive. Defendant further determined it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions in this Joint Stipulation.

IV. PROCEDURAL ISSUES

A. Preliminary Approval. Class Counsel will submit this Joint Stipulation to the Court with a motion for preliminary approval of this Settlement. Defendant will not oppose the motion. Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

1. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
2. Appointing Paul K. Haines of Haines Law Group, APC and Scott M. Lidman, Milan Moore, and Elizabeth Nguyen of Lidman Law, APC as Class Counsel;
3. Appointing Andres Payan as Class Representative for the Settlement Class;
4. Approving Simpluris as the Settlement Administrator;
5. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
6. Approving the form and content of the Notice Packet (which is comprised of the Notice of Pendency of Class Action and Settlement and Notice of Individual Settlement Award, drafts of which are attached collectively hereto as Exhibit A), and directing the mailing of same;

7. Staying all other proceedings in the Action until Final Approval; and
8. Scheduling a Final Approval hearing.

B. Settlement Administrator.

1. The third-party company known as Simpluris will act as Settlement Administrator. The Settlement Administrator will be responsible for: (1) preparing, translating, printing and mailing simultaneously the Class Notice in substantially the same form as attached “**Exhibit A,**” in English and Spanish; (2) receiving and reviewing Opt Out Requests; (3) calculating workweeks and payments under the Settlement; (4) handling inquiries from Class Members concerning the Class Notice, including attempting to resolve disputes concerning Workweeks; (5) providing weekly status reports to Defendant’s Counsel and Class Counsel regarding the mailings and Opt Out Requests; (6) distributing all payments under the Settlement, as well as payments to taxing authorities as appropriate; (7) providing due diligence declarations for submission to the Court, as needed; (8) printing and providing Settlement Class Members and Plaintiff with tax forms as required under this Settlement Agreement and applicable law, and providing copies of same to Defendant; and (9) such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.

2. The Parties each represent they do not have a financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that creates or could create a conflict of interest. Settlement Administration Costs are estimated not to exceed TWO THOUSAND FOUR HUNDRED DOLLARS AND ZERO CENTS (\$2,400.00) and are to be paid from the Gross Settlement Amount subject to approval by the Court.

C. Notice to Class Members. Class Members will be provided notice of the Settlement in the following manner:

1. Within twenty (20) calendar days of Preliminary Approval, Defendant will provide the Settlement Administrator with a Class List consisting of each Class Member’s: (1) full name; (2) last known mailing address and telephone number, if known; (3) full Social Security number; and (4) start and end dates of employment during the Class Period. This information will

not be shared with Class Counsel. Any report required to provide to Class Counsel will only include an identifying number for the employee, start and end dates of employment during the Class Period and PAGA Period, each Class Member's Individual Settlement Share, and each PAGA Employee's Individual Settlement Share.

2. Within ten (10) calendar days after the Settlement Administrator's receipt of the Class List, the Settlement Administrator will format and mail the Class Notice to the Class Members via first-class U.S. mail.

3. Prior to mailing the Class Notice to the Class, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct the Class Members' addresses, contained in the Class List, for any known or identifiable address changes. It will be presumed that if the Class Notice has not been returned within thirty (30) calendar days of mailing, that the Class Member received the Class Notice and all of its contents.

4. The Settlement Administrator will perform a skip-trace search and re-mail all Class Notices that are returned as undelivered on or before the Response Deadline, within seven (7) calendar days of receiving the returned Class Notice. If a new address is obtained after a Class Notice is returned as undeliverable, the Settlement Administrator shall promptly forward the original Notice Packet to the updated address via first-class U.S. mail, indicating the date of such re-mailing. If a Class Notice is returned as undeliverable, the Settlement Administrator will continue to attempt to obtain a new address for the Class Member until the Response Deadline expires. Upon completion of these steps by the Settlement Administrator, Defendant shall be deemed to have satisfied its obligation to provide notice of the Settlement to Class Members. Such persons shall be bound by all terms of the Joint Stipulation (including the release) and the Court's Final Approval Order and Judgment based thereon, unless they validly request exclusion from the Settlement.

5. Class Members shall have sixty (60) calendar days from the date the Class Notice is first mailed (*i.e.*, the Response Deadline) to submit an Opt Out Request, Workweeks Disputes, or objection to the Settlement. Unless a Class Member validly opts out of the Settlement,

the Class Member will be bound by all terms of the Settlement Agreement (including the release of Released Claims) and the Court's Final Approval Order and Judgment.

6. Notice Packets shall be mailed to all Settlement Class Members in the form of Exhibit A that is approved by the Court within (10) calendar days from receipt of the Class Data. Plaintiff and Class Counsel will not distribute any other documents or notices (whether by mail, on-line, or otherwise) regarding this Action or Settlement.

D. Procedure to Opt Out of Settlement.

1. Class Members who wish to exclude themselves from the Settlement must submit to the Settlement Administrator an Opt Out Request, which shall be a written statement (as directed by the Class Notice) requesting exclusion from the Settlement Agreement (also referred to herein as "opt out"), and which must: (a) contain the full name, address, telephone number, last four (4) digits of the Social Security Number, and signature of the person requesting exclusion; (b) contain a clear statement indicating that the person wishes to exclude himself or herself from the Settlement, and referencing the Action by name and/or case number; and (c) be postmarked no later than the Response Deadline. Any Class Member who properly opts out of the Settlement using this procedure will not be a member of the Settlement Class, will be barred from participating in this Settlement, will be barred from objecting to this Settlement, and will receive no benefit from this Settlement. PAGA Employees may not opt out of the Settlement under any circumstances.

2. An Opt Out Request shall be deemed valid only if: (1) the Class Member has provided his or her full name, address, and the last four digits of his or her Social Security Number on the Opt Out Request; (2) the Class Member has completed, dated, and signed the Opt Out Request; (3) the name and last four digits of the Social Security Number provided by the Class Member on the Opt Out Request matches Defendant's records; and (4) the Opt Out Request is postmarked on or before the Response Deadline.

3. Any Class Member who submits a timely and valid Opt Out Request will not be entitled to recovery under the Settlement and will not be bound by the Settlement or the

order granting final approval of the Settlement and judgment based thereon. A Class Member who opts out of the Settlement does not have the right to object, appeal, or comment on the Settlement. Class Members who do not submit a timely and valid Opt Out Request shall be bound by all terms of the Settlement and the Final Approval Order and Judgment based thereon.

4. The Settlement Administrator shall provide Defendant's Counsel and Class Counsel with weekly updates about Class Members who submit Opt Out Requests.

E. Procedure to Object to Settlement.

1. Any Class Member who seeks to object to the Settlement may do so by filing his or her objection with the Court and submitting a copy of the objection on the Settlement Administrator by mail. The objection must: (a) contain the objecting Class Member's full name, address, telephone number, last four digits of his or her Social Security number, and signature; (b) contain the words "Notice of Objection" or "Formal Objection"; (c) contain the case name and number of the Action; (d) a clear and concise statement, including factual and legal arguments, explaining his or her objection(s) to the Settlement; (e) contain a statement indicating whether or not the Class Member is represented by counsel and identifying any such legal counsel; (f) contain a statement indicating whether the Class Member intends to appear at the Final Approval Hearing to present his or her objection(s); (g) list any witnesses the objecting Class Member may call to testify at the Final Approval Hearing; and (h) be submitted to the Settlement Administrator no later than the Response Deadline. The date of the postmark on the objection submission to the Settlement Administrator shall be the exclusive means used to determine whether a Class Member has timely submitted his or her objection on the Settlement Administrator. Within three (3) business days of receiving any objection to the Settlement, the Settlement Administrator shall provide copies of such objections to Class Counsel and Defendant's Counsel. The Settlement Administrator shall also attach copies of such objections to its declaration that is filed with the Court in advance of the Final Approval Hearing.

2. Plaintiff and/or Defendant may file a response to any objection(s) to the Settlement no later than five (5) court days before the Final Approval Hearing.

3. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing irrespective of whether they submitted any written objections.

F. Workweeks Disputes. A Class Member may dispute the accuracy of the Workweeks credited to him or her in conformity with the instructions in the Class Notice. Any such Workweeks Dispute must be in writing and must: (a) contain the Class Member's full name, address, telephone number, last four digits of his or her Social Security number, and signature; (b) contain the case name and number of the Action; (c) contain a clear statement explaining that he or she disputes the number of Workweeks credited to him or her and what he or she contends is the correct number that should be credited to him or her; (d) any documentation that he or she has to support the dispute; and (e) be mailed to the Settlement Administrator, postmarked on or before the Response Deadline. The Settlement Administrator shall provide copies of all Workweek Disputes to Class Counsel and Defendant's Counsel within three (3) business days of receipt and shall immediately attempt to resolve all such disputes with the assistance of Defendant's Counsel and Class Counsel. In the event of a dispute, Defendant's records regarding the number of Workweeks of the Class Member shall be presumed to be correct and the Class Member will bear the burden of proof (i.e. a Class Member who fails to provide written proof will have his or her challenge denied). The Settlement Administrator shall investigate the challenge, requesting information from Defendant as necessary and make the final determination of whether any additional amount is owed. All Workweek Disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator's decision on all Workweeks Disputes will be final and non-appealable.

G. Final Approval.

1. At the Final Approval Hearing, Class Counsel will move the Court for an order granting final approval of the Settlement and entry of judgment in accordance with the California Rule of Court 3.769(h). Class Counsel will seek approval of the Settlement as being fair, reasonable, and adequate to the Class Members. Class Counsel and Defendant's Counsel will submit

to the Court such pleading and/or evidence as required for the Court's determination. Class Counsel will also submit a motion seeking Attorneys' Fees and Litigation Costs to be determined at the Final Approval Hearing.

2. The Final Approval Order and Judgment will, among other things: (a) find that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, met the requirements of due process, was the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons entitled thereto; (b) find that the Class Representative and Class Counsel herein have fairly and adequately represented and protected the interests of the Class at all times in the Action; (c) grant Final Approval to the Settlement as fair, reasonable, adequate, in good faith, and in the best interests of the Class as a whole, and order the Parties to carry out the provisions of this Settlement Agreement; (d) certify the Settlement Class; (e) direct the Parties to implement the terms of the Settlement Agreement, including, without limitation, the provisions regarding payments under the Settlement; (f) enter judgment, adjudging that the Settlement Class Members are conclusively deemed to have released the Released Parties from the Released Claims during the Class Period; (g) enter judgment, adjudging that the PAGA Release has been entered against the Released Parties during the PAGA Period; (h) award Attorneys' Fees and Litigation Costs to Class Counsel and Plaintiff's Incentive Payment in accordance with this Joint Stipulation; and (i) reserving continuing jurisdiction as provided herein.

3. After entry of the Final Approval Order and Judgment, the Court shall have continuing and exclusive jurisdiction over the Action for purposes of: (i) administration and consummation of the terms of this Settlement Agreement; (ii) enforcing, constructing, and interpreting this Settlement Agreement; (iii) addressing such post-judgment matters as may be appropriate under Court rules or applicable law; and (iv) enforcing, constructing, and interpreting the Final Approval Order and Judgment, including, but not limited to, the provisions therein enjoining any further litigation of Released Claims, and over Plaintiff and all Settlement Class Members (and their attorneys and law firms) in connection therewith.

V. SETTLEMENT TERMS

A. Gross Settlement Amount. To settle the Action, the Released Claims, and the PAGA Release under the terms of this Settlement Agreement, Defendant will pay the gross amount of TWO HUNDRED NINE THOUSAND, ONE HUNDRED DOLLARS AND ZERO CENTS (\$209,100.00), (*i.e.*, the Gross Settlement Amount), unless the Escalator Clause is triggered. Defendant will not be required to contribute additional sums to fund the Settlement or otherwise resolve this Action, the Released Claims and the PAGA Release, except for employer's share of taxes with respect to the wages portion of Individual Settlement Shares and as set forth in V.A. (Gross Settlement Amount) & V.A.1 (Escalator Clause).

1. **Escalator Clause.** Defendant estimates that there were 4,182 workweeks during the Class Period at the time of mediation. If the number of workweeks during the Class Period increases more than 10% than this figure (*i.e.*, if there are 4,600 or more workweeks worked by the settlement Class Members), Defendant agrees to increase the Gross Settlement Amount on a proportional basis for the amount above 4,600 workweeks (*e.g.*, if there were 5,018.5 workweeks during the Class Period, which is 20% more than the estimated workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 10%).

2. **Revocation Option for Defendant.** If more than ten percent (10%) of the Class Members opt out of the Settlement, Defendant has the right (but not the obligation) to void the Settlement Agreement. Defendant must exercise this right to void the Settlement Agreement, in writing, to Class Counsel within ten (10) calendar days after the Settlement Administrator notifies the Parties of a greater than ten (10%) opt-out rate. If the option to void the Settlement Agreement is exercised, then Defendant shall be solely responsible for all costs of the settlement administration accrued to that point.

3. Notwithstanding the foregoing, and the terms set forth in Section V.C. Defendant will not be required to pay any amount exceeding the Gross Settlement Amount, except

as set forth in Section V.A.1.

4. The Gross Settlement Amount is non-reversionary and distribution will be on a non-claims-made basis. Any amount allocated to a Class Member who timely opt-outs will be added back to the Net Settlement Amount in order to be redistributed to Settlement Class Members.

5. Defendant will pay the Gross Settlement Amount within thirty (30) calendar days of the Effective Date.

B. Establishment of Settlement Fund. Within fifteen (15) calendar days of the Effective Date, the Settlement Administrator will establish a Qualified Settlement Fund Account in a non-interest-bearing transaction account at a FDIC-insured institution for the benefit of Settlement Class Members and PAGA Employees.

C. Allocation of Settlement Proceeds.

The Gross Settlement Amount is inclusive of and will be allocated as follows:

1. Class Counsel's Attorneys' Fees, as approved by the Court, in an amount not to exceed 1/3 of the Gross Settlement Amount (including one-third of any increase of the Gross Settlement Amount pursuant to Paragraph V.A.1), or currently Sixty-Nine Thousand Seven Hundred Dollars and Zero Cents (\$69,700.00). The fees shall be detailed in Class Counsel's application for fees and costs in this Action, to be heard at the time of Final Approval. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court. Class Counsel is responsible for any and all taxes associated with any payments to Class Counsel under this Settlement Agreement. In the event that the Court reduces or does not approve the requested Class Counsel Attorney's fees, Class Counsel shall not have the right to revoke this Settlement

Agreement, and it will remain binding

2. Class Counsel's Litigation Costs, as approved by the Court, in an amount not to exceed FIFTEEN THOUSAND DOLLARS AND ZERO CENTS (\$15,000.00.) The Litigation Costs shall be detailed in Class Counsel's motion seeking Attorneys' Fees and Litigation Costs in this Action, to be heard at the time of Final Approval. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court. Class Counsel is responsible for any and all taxes associated with any payments to Class Counsel under this Settlement Agreement. In the event that the Court reduces or does not approve the requested Class Counsel Litigation Costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding

3. Plaintiff's Incentive Payment, as approved by the Court, for his service on behalf of the Class, in an amount not to exceed FIVE THOUSAND DOLLARS AND ZERO CENTS (\$5,000.00). This award will be in addition to Plaintiff's Settlement Award as a Settlement Class Member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Plaintiff's Incentive Payment, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding. Plaintiff is responsible for any and all taxes associated with this Service Award.

4. In consideration of claims made under PAGA, Class Counsel will request that the Court approve allocation of TWENTY THOUSAND DOLLARS AND ZERO CENTS (\$20,000) of the Gross Settlement Amount to these claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and twenty-five percent (25%) will be distribution to PAGA Employees. Defendant

will not oppose this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The Court's adjustment, if any, of the amount allocated to PAGA Settlement in the Action, will not invalidate this Agreement.

5. The Settlement Administration Costs, as approved by the Court, in an amount estimated not to exceed TWO THOUSAND FOUR HUNDRED DOLLARS AND ZERO CENTS (\$2,400.00); and

6. The Net Settlement Amount, which is available for distribution to Settlement Class Members, after deducting the amounts stated (and as approved by the Court) in subparagraph 1-5 of this Section.

D. Distribution of Settlement Proceeds.

1. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Qualified Settlement Fund Account. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on distributions and payments made in accordance with this Settlement Agreement.

2. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval.

3. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail all Individual Settlement Payments to Settlement Class Members, Attorneys' Fees and Litigation Costs to Class Counsel, Plaintiff's Incentive Payment, and Settlement Administration Costs to itself, all as determined by the Court at the Final Approval Hearing, less applicable taxes and withholdings, to participating Settlement Class Members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.

4. The Settlement Administrator will be responsible for calculating each Settlement Class Member's share of the Net Settlement Amount ("Individual Settlement Share"),

as follows: The Net Settlement Amount will be divided by the total number of Workweeks worked by all of the Settlement Class Members to yield a “Class Weekly Rate.” Each Settlement Class Member’s respective number of Workweeks will be multiplied by the Class Weekly Rate, to yield his or her respective Individual Settlement Share.

5. The Settlement Administrator will also be responsible for calculating each PAGA Employee’s share of the PAGA Settlement Amount, as follows: The PAGA Settlement Amount will be divided by the total number of Workweeks worked by all of the PAGA Employees to yield a “PAGA Weekly Rate.” Each PAGA Employee’s respective number of Workweeks will be multiplied by the PAGA Weekly Rate, to yield his or her respective Individual PAGA amount.

6. Each Individual Settlement Share shall be allocated 33% to wages (to be reported on IRS Form W-2), 67% to penalties and interest (to be reported on IRS Form 1099, if applicable). Defendant will pay the employer’s share of payroll taxes, and contributions separately. Each Settlement Class Member, including Plaintiff, will be responsible for the payment of their employee share of payroll taxes. The portion of the Individual Settlement share attributable to wages will be subject to the employees’ share of payroll taxes, contributions, and withholdings.

7. The Settlement Administrator’s determination of eligibility for, and the amounts of, any settlement payments under this Settlement Agreement shall be conclusive, final, and binding on all parties, including all Class Members.

8. Any settlement checks paid to Settlement Class Members will remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance after which they will become stale (“Check Stale Date”) and shall automatically be cancelled if not cashed or deposited by Settlement Class Members within that time. Any funds remaining in the Settlement Fund Account as a result of Settlement Class Members’ failure to cash or deposit their checks by the Check Stale Date, shall be transmitted in the names and respective amounts of the checks that are cancelled, to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code section 1500 *et seq.*, for the benefit of those Settlement Class Members whose checks were cancelled, until such time that they claim their

property. Defendant will not be required to pay any interest on said amount. The Parties agree that this disposition results in no “unpaid residue” under California Code of Civil Procedure section 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether or not they cash or deposit their settlement checks. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

9. The Settlement Administrator shall prepare any and all reports and/or declarations regarding the distribution of funds under the Settlement, as ordered by the Court. The Settlement Administrator shall also undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any settlement checks. To the extent that the Settlement Administrator is able to obtain or receive the return or refund of the amounts that were transmitted to taxing authorities for the employer’s and employee’s share of payroll taxes, contributions, and withholding associated with cancelled Individual Settlement Payments, these amounts shall be transmitted to the non-profit organization identified in this Paragraph, along with the funds associated with cancelled settlement checks.

10. Notwithstanding the above, within fourteen (14) calendar days after the disbursement of all funds as set forth in section V.D.2, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

11. Plaintiff and Class Members will be solely responsible for the reporting and payment of any state, local, and/or federal income tax, if any, on the amounts paid to them under the Settlement. If it is determined that any taxes are due in connection with any amount paid under the Settlement, Plaintiff and Class Members will be solely responsible for all liability for taxes and

any costs, fees, interest, assessments, penalties, damages, or other losses due to such a determination. No payments made under this Settlement Agreement will have an effect on any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

E. Class Counsel's Attorneys' Fees. Defendant will not oppose Class Counsel's application for fees of up to 1/3 of the Gross Settlement Amount (including one-third of any increase of the Gross Settlement Amount pursuant to Paragraph V.A.1), or currently SIXTY-NINE THOUSAND SEVEN HUNDRED DOLLARS AND ZERO CENTS (\$69,700.00). Defendant will not be obligated to pay any Attorneys' Fees of Class Counsel, Plaintiff, or Class Members above this amount. Class Counsel's fee application must be submitted with supporting documentation, and heard at the time of the Final Approval Hearing. No part of the Gross Settlement Amount will be used to pay any attorney's fees of Class Counsel, Plaintiff, or Class Members above this amount. Class Counsel's fees are subject to court approval. In the event that the Court reduces or does not approve the requested Class Counsel Attorney's fees, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding.

F. Class Counsel's Litigation Costs. Defendant will not oppose Class Counsel's application for reimbursement of Litigation Costs and expenses of up to FIFTEEN THOUSAND DOLLARS AND ZERO CENTS (\$15,000.00.) Defendant will not be obligated to pay any costs of Class Counsel, Plaintiff, or Class Members above this amount. No part of the Gross Settlement Amount will be used to pay any costs of Class Counsel, Plaintiff, or Class Members above this amount. Class Counsel's request for costs must be submitted with its fee application and with supporting documentation and heard at the time of the Final Approval Hearing. Class Counsel's Litigation Costs are subject to approval by the Court. In the event that the Court reduces or does not approve the requested Class Counsel Litigation Costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding

G. Plaintiff's Incentive Payment. In exchange for a general release of all claims, and in recognition of his effort and work in prosecuting the Action on behalf of the Class Members

and negotiating the Settlement, Defendant will not oppose Plaintiff's application for an incentive payment of up to FIVE THOUSAND DOLLARS AND ZERO CENTS (\$5,000.00). This incentive payment is subject to approval by the Court. Defendant will not be obligated to pay any incentive payment above this amount. This payment shall be considered miscellaneous income, and the Settlement Administrator will be responsible for issuing a Form 1099, and any other tax forms, to Plaintiff relating to this payment. No part of the Gross Settlement Amount will be used to pay any incentive payment above this amount.

H. Settlement Administration Costs. The Parties agree the Settlement Administration Costs shall be deducted from the Gross Settlement Amount, subject to approval by the Court. Settlement Administration Costs are estimated not to exceed TWO THOUSAND FOUR HUNDRED DOLLARS AND ZERO CENTS (\$2,400.00).

I. Tax Treatment.

1. Plaintiff and Settlement Class Members shall be exclusively liable for any and all of their respective tax liability, if any. Plaintiff and Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement Agreement. Each Settlement Class Member will be responsible for paying all applicable state, local, and federal income taxes on all amounts they receive pursuant to this Settlement Agreement. Plaintiff's counsel shall cooperate with Defendant and provide documentation as requested to demonstrate such payment should any taxing authority challenge the tax treatment of any such payment made under the Settlement.

2. Each Party to this Settlement Agreement acknowledges and agrees that:

a. No provision of this Settlement Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);

b. He, she, or it: (a) has relied exclusively upon his, her, or its own,

independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement; (b) has not entered into this Settlement Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party to avoid any tax penalty that may be imposed on him or her; and

c. No attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

J. Release of Claims by Plaintiff, Settlement Class Members, and PAGA Employees.

1. Upon the Effective Date, Plaintiff and Settlement Class Members will be deemed to have fully released and discharged the Released Parties of and from all of the Released Claims during the Class Period.

2. Upon the Effective Date, Plaintiff and PAGA Employees will be deemed to have fully released and discharged the Released Parties of and from all of the PAGA Release during the PAGA Period.

3. The Parties acknowledge that under the release, the right of the LWDA to investigate the released PAGA claims is not released, but Released Claims do include any claims for penalties by a Class Member as a result of any such LWDA investigation.

4. In addition, upon the Effective Date, Plaintiff will be deemed to have fully released and discharged the Released Parties of and from all claims arising from his employment with Defendant, separation of employment from Defendant, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, whether known or unknown,

arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the Effective Date.

5. In light of the Plaintiff's Incentive Payment, Plaintiff agrees to release, in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties through the date Plaintiff signs this Agreement. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, which includes waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY

6. Notwithstanding the above, nor anything else in this Settlement, Plaintiff's waiver and release in this Settlement does not apply to (i) those rights that as a matter of law cannot be waived, including, but not limited to, workers' compensation claims, pending or otherwise; (ii) rights or claims arising after this Agreement is executed by Plaintiff; (iii) rights or claims arising

out of this Settlement. The Agreement in no way affects Plaintiff's entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation.

VI. DUTIES OF THE PARTIES

A. Mutual Cooperation. The Parties agree to cooperate to accomplish and implement the terms of this Joint Stipulation. Such cooperation will include, but not be limited to, execution of such other documents and taking such other actions as may reasonably be necessary to fulfill the terms of this Joint Stipulation. The Parties will use their reasonable best efforts, including all efforts contemplated by this Joint Stipulation and any other efforts that may become necessary by court order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of Defendant and its counsel, will try to secure Preliminary Approval and Final Approval.

B. Duty to Support and Defend the Settlement. The Parties agree the settlement is fair and reasonable and will so represent to the Court. The Parties agree to abide by all terms of the Joint Stipulation in good faith and to support the Joint Stipulation fully, and to use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack. Plaintiff agrees to take all steps necessary to implement and effectuate the Settlement.

VII. MISCELLANEOUS PROVISIONS

A. No Comments to Press or Media. If contacted by the media or members of the press, the Parties, Defendant's Counsel, and Class Counsel will merely inform them that the case has been resolved and refer them to the public filings. The terms of the Settlement shall remain confidential until the Parties submit the motion for preliminary approval to the Court. However, for the limited purpose of allowing Class Counsel to prove adequacy as counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

B. No Admission of Liability.

1. This Joint Stipulation is not an admission of liability by Defendant or any of the Released Parties. Defendant and the Released Parties deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that, but for the Settlement, a class could be certified in the Action. This Settlement Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement Agreement is intended or will be construed as an admission by Defendant or the Released Parties of liability or wrongdoing, or an admission by Plaintiff that any of his claims were non-meritorious or any defenses to his claims were meritorious. This Settlement and the fact that Plaintiff and Defendant were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).

2. The Parties have agreed to class certification for the sole purpose of effectuating this Settlement. Should the Settlement not be approved by the Court, or should the Judgment regarding the Settlement not become final, the fact that the Parties were willing to stipulate to class certification as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Action, or any other action, and in any of those events Defendant and the Released Parties expressly reserve the right to oppose class certification.

3. Whether or not the Settlement set forth in this Settlement Agreement becomes final, neither the Settlement, this Settlement Agreement, any document, statement, proceeding, or conduct related to the Settlement or the Settlement Agreement, nor any reports or accounting of those matters, will be offered as evidence for any purpose adverse to Defendant or any of the Released Parties, including, but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage; or (ii) disclosed, referred to, or offered in evidence against any of the Released Parties, in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to

this Settlement Agreement.

4. This Section and all other provisions of this Settlement Agreement notwithstanding, any and all provisions of this Settlement Agreement, may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Settlement Agreement or in defense of any claims released or barred by this Settlement Agreement.

C. No Impact on Benefit Plans. It is expressly understood and agreed that the receipt of any payment under the Settlement will not entitle Plaintiff or any Settlement Class Member to additional compensation or benefits under any company bonus, contract, incentive plan, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle any Settlement Class Member to any increased retirement, 401(k) or matching benefits, or deferred compensation benefits. It is also expressly understood and agreed that any payments made to Plaintiff and Settlement Class Members under the terms of this Settlement Agreement do not represent any modification of previously credited length of service or other eligibility criteria under any bonus plan, incentive plan, contract, employee pension benefit plan, or employee welfare plan sponsored by any of the Released Parties or to which any of the Released Parties are required to make contributions. All payments under the Settlement shall be deemed to be paid to Plaintiff and Settlement Class Members solely in the year in which such payments are mailed to them. Further, any payments made under this Settlement Agreement shall not be considered compensation in any year for purposes of determining eligibility for, or benefit accrual within, any employee pension benefit plan or employee welfare benefit plan sponsored by any of the Released Parties or to which any of the Released Parties are required to make contributions. It is the Parties' intent that the Individual Settlement Shares provided for in this Settlement Agreement are the sole payments to be made by Defendant to the Settlement Class Members, and that the Settlement Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Shares (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

D. Notices. All notices, demands, and other communications to be provided

concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Chad D. Bernard and Zoe E. Tremayne of Jackson Lewis, P.C, 725 South Figueroa Street, Suite 2500, Los Angeles, California 90017; chad.bernard@jacksonlewis.com and zoe.tremayne@jacksonlewis.com

if to Plaintiff: Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC, 2155 Campus Drive, Suite 150 El Segundo, California 90245; slidman@lidmanlaw.com and enguyen@lidmanlaw.com

Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com

E. Construction. The Parties agree this Joint Stipulation resulted from lengthy, intensive, arm's-length negotiations, and it is not to be construed for or against any Party for any reason.

F. Choice of Law. This Joint Stipulation is intended to and will be governed by the laws of California, without regard to conflicts of law principles.

G. Continuing Jurisdiction. Even after entry of judgment in the Action based on the Settlement, the Court will retain continuing jurisdiction to enforce the Settlement pursuant to California Rules of Court 3.769 and California Code of Civil Procedure section 664.6.

H. Captions and Interpretations. Section headings, paragraph headings, titles, or captions contained herein are inserted as a matter of convenience and for reference only, and in no way define, limit, extend, or describe the scope of this Joint Stipulation or any provision thereof.

I. Modification. This Joint Stipulation may not be changed, altered, or modified, except in writing signed by counsel for the Parties and approved by the Court.

J. Integration Clause. All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, between the Parties are merged herein. No rights under this Joint Stipulation may be waived except in writing.

K. No Inducements. Plaintiff and Defendant acknowledge that they are entering into this Settlement Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever, and that neither Plaintiff nor Defendant have relied on any promises, representations, or warranties regarding the subject matter hereof other than as set forth in this Settlement Agreement.

L. Successors and Assigns. This Joint Stipulation will be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, predecessors, successors, affiliates, agents, and assigns.

M. Class Counsel Signatories. Because the Class Members are so numerous, the Parties agree it is impossible or impractical to have each Class Member sign this Joint Stipulation. This Joint Stipulation may be executed on behalf of the Class by Class Counsel and Plaintiff.

N. Attorney Authorization. Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties will seek the assistance of the Court, and in all cases all such documents, supplemental provisions and assistance of the Court will be consistent with this Settlement Agreement.

O. Dates. If any of the dates in the Joint Stipulation fall on a weekend, bank holiday, or court holiday, the time to act shall be extended to the next business day.

P. Execution in Counterparts. This Joint Stipulation will become effective upon its execution by all of the undersigned. The Parties may execute this Joint Stipulation in counterparts, and execution of counterparts will have the same force and effect as had all Parties signed the same

instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they may use DocuSign or similar electronic signature technology to expedite the execution of this Settlement Agreement.

DATED: January 18, 2022

DEFENDANT AIRCRAFT COMPONENT
REPAIR, INC.

By:  DENNIS J. MACK
Its: PRESIDENT/C.O.O.

DATED:

PLAINTIFF ANDRES PAYAN

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED:

JACKSON LEWIS, P.C.

By: _____
Chad D. Bernard
Attorneys for Defendant Aircraft Component
Repair, Inc.

DATED:

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff Andres Payan

DATED:

LIDMAN LAW, APC

By: _____
Scott M. Lidman
Attorneys for Plaintiff Andres Payan

instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they may use DocuSign or similar electronic signature technology to expedite the execution of this Settlement Agreement.

DATED: DEFENDANT AIRCRAFT COMPONENT
REPAIR, INC.

By: _____

Its: _____

DATED: Jan 13, 2022

PLAINTIFF ANDRES PAYAN

By: 
Andres Payan (Jan 13, 2022 14:54 MST)
Plaintiff and Settlement Class Representative

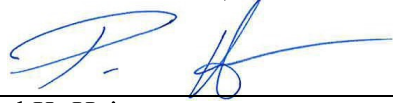
APPROVED AS TO FORM:

DATED: JACKSON LEWIS, P.C.

By: _____
Chad D. Bernard
Attorneys for Defendant Aircraft Component
Repair, Inc.

DATED: January 13, 2022

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Attorneys for Plaintiff Andres Payan

DATED: January 13, 2022

LIDMAN LAW, APC

By: 
Scott M. Lidman
Attorneys for Plaintiff Andres Payan

instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they may use DocuSign or similar electronic signature technology to expedite the execution of this Settlement Agreement.

DATED: DEFENDANT AIRCRAFT COMPONENT
REPAIR, INC.

By: _____

Its: _____

DATED: PLAINTIFF ANDRES PAYAN

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: January 18, 2022

JACKSON LEWIS, P.C.

By: Chad D. Bernard
Chad D. Bernard
Attorneys for Defendant Aircraft Component
Repair, Inc.

DATED: HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff Andres Payan

DATED: LIDMAN LAW, APC

By: _____
Scott M. Lidman
Attorneys for Plaintiff Andres Payan

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ANDRES PAYAN,

Plaintiff,

vs.

AIRCRAFT COMPONENT REPAIR, INC., a
California corporation; and Does 1 through 100,
inclusive,

Defendants.

Case No. 21STCV04846

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

To: All current and former non-exempt, hourly employees who have worked for Aircraft Component Repair, Inc. who worked at any time in California between February 5, 2017 and [date court grants preliminary approval]. Collectively, these employees will be referred to as "Settlement Class Members."

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the "Settlement") entitled *Andres Payan v. Aircraft Component Repair, Inc.*, Los Angeles Superior Court Case No. 21STCV04846 (the "Lawsuit"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant's records show that you were employed by Defendant as an hourly, non-exempt employee in California at some time between February 5, 2017 and [date court grants preliminary approval] (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Andres Payan ("Plaintiff") brought this Lawsuit against Defendant, seeking to assert claims on behalf of a class of current and former hourly, non-exempt employees who worked for Defendant, in California at any time on or after February 5, 2017. Plaintiff Andres Payan is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

The Lawsuit alleges that Defendant failed to pay all minimum and overtime wages owed, failed to provide to Settlement Class members all required meal and rest periods, and failed to provide Settlement Class members with itemized wage statements in compliance with California law. The Lawsuit also alleges that Defendant failed to timely pay all wages owed to Settlement Class members upon their separation of employment from Defendant. As a result of the foregoing alleged violations, Plaintiff also alleges that Defendant engaged in unfair business practices and are liable for civil penalties under the Labor Code Private Attorney General Act. f

Defendant denies that it has done anything wrong. Defendant further denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. No Court has made any determination as to the factual allegations in the Lawsuit. Rather, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, and it expressly denies all liability.

The Court has not ruled that Defendant violated any laws or whether Plaintiff or any other person is entitled to damages or other relief. However, to avoid additional expense, inconvenience, and interference with their business operations, Defendant has concluded that it is in their best interests and the interests of Settlement Class members to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the Parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant's policies strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff / Settlement Class Members: LIDMAN LAW, APC Scott M. Lidman slidman@lidmanlaw.com Elizabeth Nguyen enguyen@lidmanlaw.com Milan Moore mmoore@lidmanlaw.com 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 www.lidmanlaw.com HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	Attorneys for Defendant Aircraft Component Repair, Inc. JACKSON LEWIS, P.C. Chad D. Bernard chad.bernard@jacksonlewis.com Zoe E. Tremayne zoe.tremayne@jacksonlewis.com 725 South Figueroa Street, Suite 2500, Los Angeles, California 90017 Tel: (213) 689-0404 Fax: (213) 689-0430
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What are the terms of the Settlement?

On **[INSERT DATE OF PRELIMINARY APPROVAL]**, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt, hourly employees who worked for Defendant in California at any time between February 5, 2017 and **[date of preliminary approval]**. Settlement Class

members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant as described below.

Defendant has agreed to pay \$209,100.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Lawsuit, which includes payments to Settlement Class members, attorneys’ fees and expenses, payment to the Labor Workforce Development Agency (“LWDA”), settlement administration costs, and Plaintiff’s Incentive Payment. Defendant’s share of payroll taxes associated with any wage payments to Settlement Class members shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

The following deductions from the Gross Settlement Amount will be requested by the Parties:

Settlement Administration Costs. The Court has approved [Settlement Administrators] to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside an amount not to exceed \$2,400 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is estimated to be \$69,700, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement administration. Class Counsel also will ask for reimbursement in an amount not to exceed \$15,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.

Plaintiff’s Incentive Payment. Class Counsel will ask the Court to award Plaintiff’s Incentive Payment in the amount not to exceed \$5,000.00, to compensate him for his service and extra work provided on behalf of the Settlement Class members.

LWDA Payment. Class Counsel will ask the Court to approve a payment in the total amount of \$20,000.00 as and for alleged civil penalties, payable pursuant to the California Labor Code Private Attorney General Act (“PAGA”). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Five Thousand Dollars and Zero Cents (\$5,000.00), will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

Calculation of Individual Settlement Class Members’ Settlement Award. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$<< >>, to be shared among up to << >> estimated Settlement Class members. The NSA will be divided as follows:

- (i) The Net Settlement Amount will be divided by the total number of Workweeks worked by all of the Settlement Class Members to yield a “Class Weekly Rate.” Each Settlement Class Member’s respective number of Workweeks will be multiplied by the Class Weekly Rate, to yield his or her respective Individual Settlement Share

In addition, Five Thousand Dollars and Zero Cents (\$5,000.00) of the Gross Settlement Amount has been designated as the “PAGA Amount” as described above. All PAGA Employees shall receive a portion of the PAGA. “PAGA Employees” include all current and former non-exempt, hourly, employees of Defendant who worked in California (including those who submit a Request for Exclusion) at any time between February 5, 2020 and [the date the Court enters the order granting preliminary approval] (“PAGA Period”). The PAGA Settlement Amount will be divided by the total number of Workweeks worked by all of the PAGA Employees to yield a “PAGA Weekly Rate.” Each PAGA Employee’s respective number of

Workweeks will be multiplied by the PAGA Weekly Rate, to yield his or her respective Individual PAGA amount.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion.

If you submit a Request for Exclusion, you will still receive a proportionate share of the PAGA Payment regardless of whether you exclude yourself from the Settlement if you are a PAGA Employee.

Each member of the Settlement Class who receives a Settlement Award must cash the check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class Members whose checks were not cashed within 180 days after mailing will be transferred to the California Secretary of State-Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class Member.

Payment by Defendant of Gross Settlement Amount. The Gross Settlement Amount shall be paid by Defendant with the Settlement Administrator within thirty (30) calendar days after the "Effective Date of Settlement". The "Effective Date of Settlement" shall mean the date when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant's Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4) the Court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; (5) 65 calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; and (6) in the event there are written objections filed prior to the final fairness hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has been filed, five business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Award amounts and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days of approval by the Parties' counsel, the Settlement Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members.

Allocation and Taxes. For tax purposes, each Settlement Award shall be allocated as follows: sixty-seven percent (67%) as penalties and interest; and thirty-three percent (33%) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will release Defendant Aircraft Component Repair, Inc. and all of its officers, directors, shareholders, managers, agents, insurers, principals, heirs, representatives, successors, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys ("Released Parties") from any and all claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable relief, which Plaintiff and Settlement Class Member that were pled or that could have

been pled based on the factual allegations set forth in the Complaint, including but not limited to: claims for minimum wage violations; failure to pay overtime wages; rest period violations; meal period violations; failure to timely pay wages; itemized wage statement violations; waiting time penalties based on the foregoing Labor Code violations (Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 8 CAL. C. REGS. § 11130, sections 11 and 12 of IWC Wage Order No. 1); and unfair competition based on the foregoing.

Upon the Effective Date, all Settlement Class Members (who have not submitted a timely and valid Request for Exclusion) shall be deemed to have, and by operation of Judgment shall have, released, waived and relinquished the Released Claims.

PAGA Release. You cannot submit a Request for Exclusion from the PAGA Release. Upon the Effective Date, all PAGA Employees (including those who have opted out) will release and discharge the Released Parties from all claims, demands, rights, liabilities and causes of action under California Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698 et seq.) as asserted in the operative complaint (as alleged in the letter to the Labor & Workforce Development Agency (“LWDA”) February 8, 2021) that arose during the PAGA Period based on the following claims: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; (f) failure to issue accurate, itemized wage statements based on the foregoing Labor Code violations, Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 8 CAL. C. REGS. § 11130, sections 11 and 12 of IWC Wage Order No. 1.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I receive money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period (as explained above), and as stated in the accompanying Notice of Individual Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Individual Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period. The information contained in Defendant’s records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Individual Settlement Award. If you disagree with the information in your Notice of Individual Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Individual Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator’s decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion from the Class Action Settlement” letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, your signature, and a statement indicating that you would like to be excluded from the Class Action Settlement.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement.

If you submit a Request for Exclusion, you will only be excluded from the Released Claims. You cannot submit a Request for Exclusion from the PAGA Release. You will receive a proportionate share of the PAGA Payment regardless of whether you exclude yourself from the Settlement if you were employed between February 5, 2020 and [<<CLOSE DATE OF THE CLASS PERIOD>>].

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator. Your written objection must include The objection must: (a) contain the objecting Class Member's full name, address, telephone number, last four digits of his or her Social Security number, and signature; (b) contain the words "Notice of Objection" or "Formal Objection"; (c) contain the case name and number of the Action; (d) a clear and concise statement, including factual and legal arguments, explaining his or her objection(s) to the Settlement; (e) contain a statement indicating whether or not the Class Member is represented by counsel and identifying any such legal counsel; (f) contain a statement indicating whether the Class Member intends to appear at the Final Approval Hearing to present his or her objection(s); (g) list any witnesses the objecting Class Member may call to testify at the Final Approval Hearing; and (h) be filed with the Court and submitted to the Settlement Administrator no later than the Response Deadline. Written objections must be postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department [] of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either remotely, in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case (*Andres Payan v. Aircraft Component Repair, Inc.* Los Angeles County Superior Court, Case No. 21STCV04846).

Any Class Member who elects to appear personally at the Court for any reason related to this Lawsuit must comply with the Court's social distancing and mandatory face covering requirements, as well and other orders related to COVID-19. All such rules and orders can be located at the Court's website: www.lacourt.org.

For more information on how to appear remotely, please visit the Court's website at <http://www.lacourt.org/division/civil/CI0040.aspx> and <https://www.lacourt.org/lacc/>.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department [] of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

Any changes to date, time, or location of the Final Approval Hearing and the final judgment will be posted on the Settlement Administrator's website (<http://.com>).

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior Court, located at 111 North Hill Street, Los Angeles, California 90012, during regular court hours. Due to COVID-19, appointments are required for clerk's office services. Please visit the Court's website at http://www.lacourt.org/newsmedia/uploads/142020529162327NR_Clerks_Office_05_29_20-FINAL.pdf and <https://www.lacourt.org/> for information on how to make an appointment in the Clerk's Office. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT OR ITS ATTORNEYS FOR
INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS**

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

NOTICE OF INDIVIDUAL SETTLEMENT AWARD

Andres Payan v. Aircraft Component Repair, Inc.,
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 21STCV04846

Please complete, sign, date and return this form to <<ADMINISTRATOR CONTACT INFO>> ONLY IF (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Award:

According to Aircraft Component Repair, Inc.'s records ("Defendant"):

- (a) You were employed by Defendant and worked a total of [] workweeks between February 5, 2017 and [<<Preliminary Approval Order>>].
- (b) You were employed by Defendant and worked a total of [] workweeks February 5, 2020 and [<<Preliminary Approval Order>>].

Based on the above, your Individual Settlement Award is estimated to be \$ [].

(IV) If you disagree with items (a) – (b) in Section (III) above, please provide the following in the space below: (a) your full name, address, telephone number, last four digits of his or her Social Security number; (b) contain the case name and number of the Action; (c) contain a clear statement explaining why you dispute the number of Workweeks credited to you and what you contends is the correct number that should be credited to you; (d) any documentation that you have to support the dispute; (e) mail to the Settlement Administrator, postmarked on or before the Response Deadline; and (f) sign below.:

If you dispute the above information from Defendant's records, Defendant's records will control unless you are able to provide documentation that establishes that Defendant's records are mistaken. If there is a dispute about whether Defendant's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of

Pendency of Class Action and Proposed Settlement” that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

Date: _____

Signature: _____

Print Name: _____

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE
POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>**