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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

RENE VELASQUEZ, as an individual and on
behalf of all others similarly situated, and as a
private attorney general,

Plaintiff,

vs.

AIR TRANSPORT INTERNATIONAL, INC., a
Delaware corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 34-2021-00307289

[Assigned for all purposes to Department 25,
Hon. Jill H. Talley]

**[PROPOSED] ORDER GRANTING
MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION SETTLEMENT**

Date: June 3, 2022
Time: 9:00 a.m.
Department: 25

Reservation No.: 2638229

Complaint Filed: September 1, 2020

1 Plaintiff's motion for an Order Granting Preliminary Approval of Class Action Settlement was
2 filed with the Court on April 14, 2022, and a hearing was held before this Court on May 10, 2022.

3 Simon L. Yang of Diversity Law Group, P.C. appeared on behalf of Plaintiff, Rene Velasquez, and
4 David L. Cheng of Ford & Harrison, LLP appeared for Defendant, Air Transport International, Inc.

5 **I. RECITALS**

6 1. On or about July 29, 2021, Plaintiff notified Defendant and the Labor and Workforce
7 Development Agency ("LWDA") that Defendant allegedly fails to furnish employees with wage
8 statements that accurately show Defendant's name or show its address at all. On that basis, on
9 September 1, 2021, Plaintiff initiated this class action on behalf of all current and former employees in
10 California who were issued wage statements. The initial complaint alleged that Defendant's failure to
11 furnish wage statements that accurately show Defendant's name or to show its address at all violates
12 Labor Code section 226(a). On October 1, 2021, Plaintiff also initiated Case Number 34-2021-00309115
13 (the "PAGA Action") to allege the same Labor Code violations as a proxy for the State of California
14 pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"). *Id.*

15 2. The Parties were able to negotiate the settlement terms in the Joint Stipulation of Class
16 Action and PAGA Settlement (the "Agreement"). Pursuant to the Agreement's terms, on February 7,
17 2022, the Parties amended the Complaint in this matter to also allege the claims asserted in the PAGA
18 Action, which was dismissed on or about March 11, 2022.

19 **II. FINDINGS**

20 3. The Court conditionally certifies the following Class: all current or former employees of
21 Defendant in the State of California who were issued a wage statement at any time from July 29, 2020,
22 through August 3, 2021.

23 4. The Court hereby approves the terms and conditions provided for in the Agreement. The
24 Court finds that on a preliminary basis the Agreement falls within the range of reasonableness of a
25 settlement and appears to be presumptively valid, subject to any objections that may be raised at the
26 final fairness hearing and subject to final approval by the Court. It appears to the Court on a preliminary
27 basis that the settlement is fair, adequate, and reasonable as to all potential Class Members when
28 balanced against the uncertain outcome of further litigation relating to liability and damages issues. It

1 also appears that investigation, research, and proceedings have been conducted so that counsel for the
2 Parties are able to reasonably evaluate their respective positions. It appears to the Court that settlement
3 at this time will avoid substantial additional costs by all Parties, as well as avoid the delay and risks that
4 would be presented by the further prosecution of the action. It also appears that settlement has been
5 reached as a result of intensive, serious, and non-collusive arms-length negotiations.

6 **III. ORDERS**

7 After considering the papers and evidence, arguments of counsel, and all other matters presented
8 to the Court, and having taken the matter under submission, **IT IS HEREBY ORDERED** as follows:

9 5. The Court grants preliminary approval of the Joint Stipulation of Class Action and PAGA
10 Settlement (“Agreement”) submitted by the Parties. The Agreement appears to be fair, adequate, and
11 reasonable to the Class.

12 6. The Court appoints and designates: (a) Plaintiff, Rene Velasquez, as Class
13 Representative, and (b) Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., and William L.
14 Marder of Polaris Law Group as Class Counsel for the Class. Class Counsel is authorized to act on
15 behalf of the Class with respect to all acts or consents required by, or which may be given, pursuant to
16 the Agreement, and such other acts reasonably necessary to finalize the Agreement and its terms. Any
17 Class Member may enter an appearance through his or her own counsel at such Class Member’s own
18 expense. Any Class Member who does not enter an appearance or appear on his or her own behalf will
19 be represented by Class Counsel.

20 7. A final fairness hearing on the question of whether the proposed Agreement, the
21 allocation of payments to Class Members, attorneys’ fees and costs to Class Counsel, the payment to the
22 Labor Workforce & Development Agency, and the Class Representative Award should be finally
23 approved as fair, reasonable, and adequate as to the members of the Class is set for
24 _____, 2022, at _____ in this Court.

25 8. The Court hereby approves, as to form and content, the Notice of Class Action Settlement
26 (“Class Notice”), which is attached as Exhibit A to the Agreement and this Order. The Court finds that
27 distribution of the Class Notice to Class Members substantially in the manner and form set forth in the
28

Agreement and this Order meets the requirements of due process and shall constitute due and sufficient notice to all parties entitled thereto.

9. The Court appoints and designates Phoenix Settlement Administrators as the Administrator. The Court hereby directs the Administrator to provide the approved Class Notice to Class Members using the procedures set forth in the Agreement.

10. Any Class Member may choose to opt out of and be excluded from the settlement as provided in the Agreement and Notice Packet and by following the instructions for requesting exclusion. Any person who timely and properly opts out of the settlement will not be bound by the Agreement or have any right to object, appeal, or comment thereon. Any request for exclusion must be in writing and signed by each such Class Member opting out and must otherwise comply with the requirements delineated in the Notice Packet. Class Members who have not requested exclusion by submitting a valid and timely request for exclusion shall be bound by all determinations of the Court, the Agreement, and Judgment.

11. Any Class Member may object to the Agreement or express his or her views regarding the Agreement. Any Class Member may present evidence and file briefs or other papers relevant to the issues to be heard and determined by the Court as provided in the Notice Packet.

12. A Motion for Final Approval shall be filed by the Class Representatives no later than sixteen (16) court days before the final fairness hearing.

13. The Court reserves the right to adjourn or continue the date of the final fairness hearing and all dates provided for in the Agreement without further notice to the Class. The Court retains jurisdiction to consider all further applications arising out of or connected with the Agreement.

14. Should for whatever reason final approval is not granted, the fact that the Parties were willing to stipulate to certification of a class as part of the settlement shall have no bearing on the issue of whether a class should be certified in a non-settlement context.

IT IS SO ORDERED.

DATED: _____, 2022

THE HONORABLE JILL H. TALLEY

Exhibit A

This notice is being sent pursuant to court order. This is not a solicitation from a lawyer.

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Rene Velasquez v. Air Transport International, Inc.,

Superior Court of the State of California for the County of Sacramento Case No. 34-2021-00307289

If you were employed by Air Transport International, Inc. in California and issued a wage statement from July 29, 2020, through August 3, 2021, you could receive a payment from the settlement of a class action and representative action under the Labor Code Private Attorneys General Act of 2004 ("PAGA") (the "Settlement").

Read this notice carefully, as your legal rights could be affected whether you act or not.

The Superior Court of the State of California for the County of Sacramento (the "Court") has preliminarily approved a Settlement that could affect your rights. The proposed Settlement resolves a class and PAGA representative action lawsuit filed by Plaintiff, Rene Velasquez, against Defendant, Air Transport International, Inc. in the Court, which has been designated Case No. 34-2021-00307289 (the "Action").

- The Action alleges Defendant fails to provide lawful wage statements to employees. Specifically, it alleges Defendant's wage statements fail to show the name and address of the legal entity that was the employer. On that basis, the Action pursues class action claims as well as PAGA claims.
- Defendant denies Plaintiff's allegations and maintains it has fully complied with the law. By agreeing to the Settlement, Defendant in no way admits any violation of law or any liability whatsoever to Plaintiff or others and expressly denies all such liability. Both Plaintiff and Defendant have agreed to the Settlement in light of all known facts and circumstances—including the uncertainty associated with litigation.
- If the Court grants final approval of the class action settlement (and approves the PAGA settlement), it would provide cash payments to Settlement Class Members (and Aggrieved Employees), based on the number of relevant wage statements that they received from July 29, 2020, through August 3, 2021 (the "Class Period" or "PAGA Period").
- Based on Defendant's records, you received **XXX** relevant wage statements, and an *estimate* of the amount that could be allocated to you is **\$XXX**. Whether you receive a payment depends on whether the Court grants final approval of the class action settlement and approves the PAGA settlement, and the amount you ultimately receive depends on the terms the Court finally approves and whether you have opted out of the class action settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:

DO NOTHING	You do not have to do anything in response to this notice. If you do nothing and the Court grants final approval of the class action settlement, you will remain eligible to automatically receive an Individual Class Payment and will be bound by the class action release provisions of the Settlement.
OPT OUT	You may opt out of the class action settlement by submitting a Request for Exclusion. If you opt out, you may not object to the class action settlement, will not be eligible to receive an Individual Class Payment, and will not be bound by the class action release provisions of the Settlement.
OBJECT	You may object to the class action settlement by submitting a written objection. If you object and the Court grants final approval of the class action settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment and will be bound by the class action release provisions of the settlement.

If the Court approves the PAGA settlement, you will receive an Individual PAGA Payment and will be bound by the PAGA release provisions of the Settlement, regardless of whether you opt out of or object to the class action settlement.

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Questions? Please contact the Administrator at (xxx) xxx-xxxx.

**THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION FROM THE COURT
AS TO THE MERITS OF THE CLAIMS.**

1. Why Did I Receive This Notice?

You are receiving this Notice of Class Action and PAGA Settlement (the "Notice") because Defendant's records show that you were employed by Defendant in California and issued a wage statement from July 29, 2020, through August 3, 2021 ("Class Member" or "Aggrieved Employee"). As a Class Member, you may be entitled to share in the funds to be made available for the class action settlement. As an Aggrieved Employee, you may be entitled to share in the funds to be made available for the PAGA settlement.

Because the Settlement preliminarily approved by the Court would affect Settlement Class Members' legal rights, the Court ordered that this Notice be sent to you. This Notice provides a brief description of the Action, informs you of the settlement terms preliminarily approved by the Court, and advises you of your legal rights with respect to the Settlement. If the Court finally approves the class action settlement and approves the PAGA settlement, the Settlement will fully resolve the Action, and your legal rights may be affected by the Settlement.

The Court has preliminary approved Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., and William L. Marder of Polaris Law Group as Class Counsel. Based on their investigation and evaluation, they are of the opinion that the terms of Settlement are fair, reasonable, adequate, and in the best interests of Class Members. The terms of the Settlement are set forth in detail in the Joint Stipulation of Class Action and PAGA Settlement ("Agreement"). You may obtain a copy of the Agreement from Phoenix Settlement Administrators, a neutral third-party appointed by the Court to administer the settlement (the "Administrator").

2. What Is the Action About?

On July 29, 2021, Plaintiff sent notice to the State of California Labor & Workforce Development Agency ("LWDA") and Defendant regarding violations of the Labor Code resulting from Defendant's alleged failure to issue wage statements that accurately showed the name and address of the legal entity that was the employer.

On September 1, 2021, Plaintiff, on behalf of himself and all others similarly situated filed a complaint in the Superior Court of the State of California for the County of Sacramento. The complaint alleges violation of Labor Code section 226(a) for failure to provide lawful wage statements. Plaintiff filed an amended complaint to also add claims as a proxy for the State of California for the same violations.

Defendant denied and continues to deny (i) all of the allegations made by Plaintiff, (ii) that it violated any applicable laws, or (iii) that it is liable or owes damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Action. Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever, Defendant has agreed to settle the Action, to avoid the burden, expense, and uncertainty of continuing the Action.

3. What Are the Payments Under the Settlement?

Defendant agrees to pay a Gross Settlement Amount of \$250,000, which is inclusive of any Administration Costs, Attorneys' Fees and Costs Award, Class Representative Award, LWDA Payment, and Individual Class Payments & Individual PAGA Payments awarded by the Court. The Court may approve payment of (i) Administration Costs to the Administrator for administering the settlement (e.g., printing, distributing, or tracking Notices, distributing payments, etc.); (ii) an Attorneys' Fees and Costs Award to Class Counsel for litigation and resolution of the Action; and (iii) a Class Representative Award to Plaintiff both for his efforts in prosecuting the Action for Class Members and for Plaintiff's additional general release of claims inapplicable to Class Members.

75% of the Net Settlement Amount after deduction for any Court-approved payments will be allocated entirely to Class Members who have not opted out of the Settlement ("Settlement Class Members") as Individual Class Payments, based on the formula described below. The other 25% of the Net Settlement Amount will be allocated to a PAGA Penalty Fund. Pursuant to Labor Code requirements, 75% of the PAGA Penalty Fund will be allocated

to the LWDA as an LWDA Payment. The remainder of the PAGA Penalty Fund will be allocated entirely to Aggrieved Employees as Individual PAGA Payments, based on the formula described below.

Individual Class Payments and Individual PAGA Payments: Individual Class Payments shall be distributed to Settlement Class Members and Individual PAGA Payments shall be distributed to Aggrieved Employees, respectively, without the need to submit a claim form. Allocations for amounts payable to Settlement Class Members and Aggrieved Employees will be based on the number of relevant wage statements they received as reflected in Defendant's records.

Funds from the PAGA Penalty Fund shall be distributed to Aggrieved Employees as Individual PAGA Payments and proportionally allocated among Aggrieved Employees based on the number of relevant wage statements during the PAGA Period for each Aggrieved Employee. The remainder of the Net Settlement Amount shall be distributed to Participating Class Members as Individual Class Payments and proportionally allocated among Settlement Class Members based on the number of relevant wage statements during the Class Period for each Settlement Class Member.

All payments from the Net Settlement Amount shall be classified for tax reporting purposes as penalties. Through this settlement, each Settlement Class Member and Aggrieved Employee shall agree to be solely and legally responsible for paying all other applicable taxes on their respective Individual Class Payments and Individual PAGA Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

All uncashed or undeliverable settlement checks will expire six months after the postmarked date of their initial mailing. After six months, the sum value of all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court order that the principal for any expired checks escheat to the State of California's Unclaimed Property Fund in the name of the Settlement Class Member or Aggrieved Employee.

Attorneys' Fees and Costs Award: You do not need to individually pay any portion of Class Counsel's attorneys' fees and costs. Any payments for those attorneys' fees and costs will be determined by the Court. Class Counsel intends to request that the Court approve an Attorneys' Fees and Costs Award in the amount of (a) 33⅓% of the Gross Settlement Amount (or \$83,333.33) and (b) litigation costs.

Class Representative Award: Any Class Representative Award is to be determined by the Court and would be supplemental to Plaintiff's Individual Class Payment and Individual PAGA Payment. Class Counsel intends to request that the Court approve a Class Representative Award of \$10,000 for Plaintiff's efforts in prosecuting the Action for Class Members and for Plaintiff's additional general release of claims inapplicable to Class Members.

Administration Costs: Class Counsel intends to request that the Court approve Administration Costs of up to \$5,000, payable to the Administrator for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, providing any required tax forms, processing any required tax payments, or reporting, and calculating and distributing all payments under the Settlement.

All Payments Subject to Court Approval: The above payments will be made if and only if the Court concludes the settlement is reasonable, fair, and adequate for the Class. The Court may adjust the amounts of certain payments.

4. What Do I Release Under the Settlement?

If the Court grants final approval of the class action settlement and concludes it is reasonable, fair, and adequate for Class Members, Settlement Class Members would release Defendant and its respective agents, attorneys, insurers, past, present and future divisions, members, affiliates, predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under, or in concert with any of them (a "Released Party") from any and all claims for violations of Labor Code section 226(a) during the Class Period that were alleged in the Action or that reasonably could have been alleged based on the facts alleged in the Action.

This means that, if you do not timely and formally exclude yourself from the class action settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

Upon approval, all Aggrieved Employees, the State of California, and the California Labor & Workforce Development Agency fully release Defendant and each Released Party from any and all claims for civil penalties for violations of Labor Code section 226(a) during the PAGA Period that were alleged in the Action or that reasonably could have been alleged based on the facts alleged in the Action ("the Released PAGA Claims").

For the Released PAGA Claims, this means that you, irrespective of whether you opt out from the class action settlement, cannot sue, continue to sue, or be part of any other PAGA lawsuit against Defendant about the legal issues resolved by this Settlement.

5. How Do I Object to the Class Action Settlement?

If you want to participate in the Settlement, you do not have to do anything and do not have to appear at the final approval hearing before the Court. You will automatically receive your Individual Class Payment and Individual PAGA Payment if the Court grants final approval of the class action settlement and approves the PAGA settlement.

If you want to object to the class action settlement, you may appear at the final approval hearing to object to the class action settlement. Alternatively, you must take the steps below:

- (1) You must mail a written statement to the Administrator listed below.
- (2) The written statement must include: your name, address, last four digits of your Social Security number, and the basis for your objection.
- (3) If you object, you may but are not required to appear at the final approval hearing either in person or through counsel, paid for at your own expense.
- (4) The written statement must be postmarked by [45 calendar days after the initial mailing of Notice].

If you object, you will remain bound by the class action settlement if finally approved and bound by the PAGA settlement if approved. If you do not want to be bound by the class action settlement if finally approved, you must opt out of the class action settlement. Regardless of whether you object to the class action settlement, you will be bound by the PAGA settlement if approved.

6. How Do I Opt Out of the Class Action Settlement?

If you do not want to participate in the class action settlement, you may opt out of the class action settlement. If you opt out of the class action settlement, you may not object to the class action settlement, will not receive any Individual Class Payment, and will not be bound by the class action release provisions of the Settlement.

In order to opt out, you MUST express your desire to be excluded from the class action settlement by mailing to the Administrator a "Request for Exclusion," which must state "Request for Exclusion," include your name, current address, current telephone number, and last four digits of your social security number. Any such Request for Exclusion must be postmarked by [45 calendar days after the initial mailing of Notice].

Any Request for Exclusion that does not include all required information or that is not submitted on a timely basis will be deemed null, void, and ineffective. A Request for Exclusion shall be deemed to be submitted as of the postmarked date. If you submit both a Request for Exclusion and an objection, your Request for Exclusion will be valid and be deemed to invalidate the objection.

7. Where Can I Get Additional Information?

This Notice summarizes the Action, Settlement, and related matters. For more information, you may contact the Administrator:

Administrator:

xxx
xxx
xxx, California xxx
Telephone: (xxx) xxx-xxxx

The contact information for the Parties' attorney are as follows:

Class Counsel:

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PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT